PETITION FOR WRIT OF CERTIORARI

Supreme Court, U.S.
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108

No. 08-510

In The

Supreme Court of the United States

PHILLIP IVALDY,

Petitioner,

v.

LORAL SPACE & COMMUNICATIONS LTD., *et al.*,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

(1) This action presents a Constitutional challenge to the question: Whether the 1978 Bankruptcy Code, as amended in 1984, transfer of power to appoint bankruptcy judges from the President to Circuit Courts violates the Separation of Powers Principle, the Checks and Balances Principle.

(2) This action presents a Constitutional challenge to the question: Whether the United States Bankruptcy Court is a "court of the United States" for purposes of title 28 of the United States 1978 Bankruptcy Code, as amended in 1984.

(3) This action presents a Constitutional challenge to the question: Whether the application of the Equitable Mootness Doctrine, in a bankruptcy appeal, is applied at the District Court Level and the petitioner is deprived of any appeal from the Bankruptcy Court even though the issues have never been addressed by an Article III Court violates the Due Process Clause of the Fifth Amendment.

(4) This action presents a conflict of interest challenge to the question: Whether the culture that permits a Bankruptcy Judge to maintain professional relationships by participating in numerous forums and seminars with attorneys who participate in current bankruptcy proceedings while he does not disclose that his former restructuring law firm has numerous and current financial dealings with Debtors who are appearing in the court violate the shareholders due process rights of the Fifth Amendment.

PARTIES TO THE PROCEEDINGS

Petitioner: Phillip Ivaldy

Respondents:

Loral Space & Communications Ltd.
(Lead Case No. 03-41710)
* Loral SpaceCom Corporation
(Case No. 03-41709)
Loral Space & Communication
(Case No. 03-41711)
Loral Satellite, Inc.
(Case No. 03-41712)
* Space Systems/Loral, Inc.
(Case No. 03-41713)
Loral Communications Services, Inc.
(Case No. 03-41714)
Loral Ground Services, LLC
(Case No. 03-41715)
* Loral Orion, Inc.
(Case No. 03-41716)
Loral CyberStar Global Services, Inc.
(Case No. 03-41717)
Loral CyberStar GmbH.
(Case No. 03-41718)
Loral CyberStar Japan, Inc.
(Case No. 03-41719)
Loral CyberStar Services
(Case No. 03-41720)
Loral CyberStar Holdings, LLC
(Case No. 03-41721)
Loral CyberStar International, Inc.
(Case No. 03-41722)

PARTIES TO THE PROCEEDINGS – Continued

Loral Asia Pacific Satellite (HK) Limited
(Case No. 03-41723)
SS/L Export Corporation
(Case No. 03-41724)
* CyberStar, L.P.
(Case No. 03-41725)
CyberStar, L.L.C.
(Case No. 03-41726)
* Loral SkyNet Network Services, Inc.
(Case No. 03-41727)
Loral Licensing Ltd.
(Case No. 03-41728)

* Inactive Cases as defined by United States Bankruptcy for the Southern District of New York. These cases are ordered closed; provided, however, that the Court shall retain jurisdiction as is provided in section 13 of the Plan of Reorganization (Retention of Jurisdiction), including, without limitation, with respect to all of the Pending Matters (including the instant appeal).

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The Opinions of the United States District Court, Southern District of New York are reported *In re Loral Space & Communications Ltd.*, 342 B.R. 132 (S.D.N.Y. 2006) and *In re Loral Space & Communications Ltd.*, 346 B.R. 71 (S.D.N.Y. 2006). The Summary Order of the United States Court of Appeals for the Second Circuit (Apps. *infra*, 2-12 & 48-49) are not reported.

BASIS FOR JURISDICTION IN THIS COURT

This action was filed in the U.S. District Court, Southern District of New York. The court entered judgment to dismiss as moot the appeal of the U.S. Bankruptcy Court for the Southern District of New York upon motion of Loral Space & Communications Ltd.

The United States Court of Appeal for the Second Circuit entered its Summary Order to AFFIRM the order and the judgment of the district court on February 25, 2008.

The Application (No. 08A110) for extension within which to file a Petition for a Writ of Certiorari was granted on august 6, 2008. The time to file the Petition for Writ of Certiorari was extended to and including October 13, 2008.

This petition is timely filed under Supreme Court Rule 13(1), and this Court has jurisdiction pursuant to 28 U.S.C. Section 1254(1).

Pursuant to Supreme Court Rule 14(e), Petitioner provides the following additional information: On May 16, 2008, Motion for a panel rehearing was denied by the United States Court of Appeals for the Second Circuit. On October 12, 2006, Motion for extension of time to file brief was denied by the United States Court of Appeals for the Second Circuit.

On June 15, 2006, Motion for reconsideration was denied by the United States District Court, Southern District of New York. On September 26, 2005, Motion for extension time to file Petitioner's Opening Brief was filed with proof of service but not acknowledged by the United States District Court Southern District of New York. The District Court Clerk, in no uncertain terms, stated that no Petitioner's Opening Brief could be filed after September 29, 2005. On September 29, 2005 Petitioner was participating in U.S. Bankruptcy proceedings to establish a record on Appeal. As such, Petitioner's Opening Brief was not filed.

Rule 12.5 considerations are not applicable to this Petition.

Per Rule 29.4(b) the following statement per 28 U.S.C. Section 2403(a) is provided. The constitutionality of the 1978 Bankruptcy Code, as amended in 1984 by Congress is drawn into question and neither

the United States nor any federal department, office, agency, officer, or employee is a party. The United States District Court rejected all Constitutional Challenges and therefore the Court determined the substance of the appeal does not pertain to whether the appeal is moot. (App. 18). As such, the courts, pursuant to 28 U.S.C. Section 2403(a) did not certify to the Attorney General the fact that the constitutionality of an Act of Congress was drawn into question.

CONSTITUTIONAL PROVISIONS INVOLVED

AMENDMENT V. No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

STATUTES

28 U.S.C. Section 151. Bankruptcy judges in each judicial district constitute a "unit" of the applicable United States District Court.

28 U.S.C. Section 157(a). Each district court may provide that any or all cases under title 11 and any or all proceedings arising under title 11 or arising in or related to a case under title 11 shall be referred to the bankruptcy judges for the district.

28 U.S.C. Section 157(b)(1). Bankruptcy judges may hear and determine all cases under title 11 and all core proceedings arising under title 11, or arising in a case under title 11, referred under subsection (a) of this section, and may enter appropriate orders and judgments subject to review under section 158 of this title.

28 U.S.C. Section 157(b)(2). Core proceedings include, but are not limited to – sub parts A-P.

28 U.S.C. Section 157(c)(1). A Bankruptcy Judge may hear a proceeding that is not a core proceeding but that is otherwise related to a case under title 1. In such proceeding, the bankruptcy judge shall submit proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge after considering the bankruptcy judge's proposed findings and conclusions after reviewing de novo those matters to which any party has time and specifically objected.

28 U.S.C. Section 157(c)(2). Notwithstanding the provisions of Paragraph (1) of this subsection, the district court, with the consent of all the parties to the proceeding, may refer a proceeding related to a case under title 11 to a bankruptcy judge to hear and determine and to enter appropriate orders and judgments, subject to review under section 158 of this title.

28 U.S.C. Sections 158(a)(1) and (b)(1). Final judgments or orders of the United States bankruptcy

court ("Bankruptcy Court") may be appealed to the United States District Court ("District Court").

28 U.S.C. Section 1254(1). By writ of certiorari granted upon the petition of any civil or criminal case, before or after rendition of judgment or decree.

28 U.S.C. Section 1334(a). The District courts have original and exclusive jurisdiction over all bankruptcy "cases."

28 U.S.C. Section 1334(b). The district courts have original but not exclusive jurisdiction over all "civil proceedings" arising in or related to a bankruptcy case.

28 U.S.C. Section 2403(a). Intervention by United States; Constitutional question.

STATEMENT OF THE CASE

In the Powers Granted To Congress in Article I, Section 8, Clause 4, the Congress shall have Power to . . . establish uniform Laws on the subject of Bankruptcies throughout the United States. However, as evidenced by the numerous conflicting decisions in the Federal Courts, the 1978 Bankruptcy Code was anything but uniform.

For example, the Supreme Court held, in *Northern Pipeline Co. v. Marathon Pipe Line Co.*, 458 U.S. 50 (1982), that Article III jurisdiction could not be conferred on non-Article III courts. In 1984, Congress

responded and amended the Bankruptcy Code by transferring the delegated power to appoint bankruptcy judges from the President to the Circuit Courts. The Loral shareholders seek to present the case that this transfer violates the Separation of Powers Principle and the Checks and Balances Principle because the Circuit Courts cannot appoint judges for the Circuit Courts and because the Circuit Courts would be reviewing appeals that originated from the very judges they had appointed.

The issues on appeal have become more difficult and more numerous as this appeal has moved from the lower courts to the United States Court of Appeals for the Second Circuit. Two difficult issues involving both the Circuit Court and Bankruptcy Court are the issues of "Checks and Balances" and conflicts of interests. The Circuit Court has a number of judges who come from firms specializing in restructuring Chapter 11 Debtors. They create a culture for appointing bankruptcy judges who also come from firms specializing in restructuring Chapter 11 Debtors. In the instant case, two judges who came from restructuring firms were listed as judges who adjudicated this appeal. (App. 2, App. 6, App. 10). (See also Apps. 92-96). Additionally, Chief Judge Denis Jacobs previously worked for a restructuring firm. (App. 90). Later, after the Petitioner submitted a motion for a rehearing in the Circuit, Judge Livingston's name was removed without a recusal statement and Judge Parker's name was added back on without a statement. (App. 48).

Bankruptcy Judge Drain previously worked for a restructuring firm. (App. 96). Prior to the Appeal to the Circuit Court, the shareholders were aware that three of Judge Drain's law clerks were hired by restructuring firms. One was hired by the former law firm of Judge Drain, one was hired by the firm representing the Debtors, and one was hired by the law firm representing the unsecured creditors. (App. 97). Judge Drain's former law firm client (Lehman Brothers) represented the Debtors in a $150 M arrangement for senior debentures. (App. 134). Lehman Brothers, during the Debtors' bankruptcy proceedings, split a $1.06 Billion sale with Debtors Chairman Schwartz. (Apps. 140-146). Lehman Brothers is Co-Manager and Solicitation Agent in a Debt-For-Debt exchange for Loral's Cyberstar/Orion deal that becomes a major issue in the Bankruptcy of Loral where the shareholders seek to examine the assets. (Apps. 135-136). Judge Drain refused to permit an examination. Lehman Brothers is involved in other financial transactions that are connected to the Debtors. (Apps. 137-138), (App. 139).

Judge Drain participates, on numerous occasions with parties who are participating in Debtors' bankruptcy procedures. (Apps. 98-134), (Apps. 187-189). Thus there is the question of whether these professional relationships, in the aggregate, deprive the Petitioner of his Fifth Amendment Rights of Due Process.

In the bankruptcy court, under the direct supervision of Judge Drain, the Debtors sold five satellites and associated assets for $975 M (App. 165). Included

in that sale were six orbital slot licenses worth $200 M. Later, Judge Drain, prior to the Confirmation Order of Debtors Plan of Reorganization ascribed a value for all of the Debtors' orbital slot licenses to be worth $10 M. Also prior to the Confirmation Order, Judge Drain ascribed a value for an entire division (SkyNet FFS) with four satellites which had a large number of customers leasing use of the satellite capabilities for $440 M. (App. 84). Later these same assets were combined into a new corporation with a value of $1.05 B. (App. 160). This $610 M difference in value would have put the Debtor into the Black by several hundred million. The same methodologies for under valuing assets were used for all of the Debtors' assets: Patents (Apps. 147-157) and Orbital Slots (Apps. 162-167). The examiner was compelled to use the same methodologies. (App. 44).

All of these assets were not disclosed in the Debtors' Plan of Reorganization. Each time the shareholders sought information on these undeclared assets they were told they would be in Debtors' Projected Statement of Operations for the years December 31, 2004 through 2008. (Apps. 190-195). However, the Plan of Reorganization was not confirmed until August 1, 2005. The Debtors had issued a 10K for 2004, which did not set forth the undisclosed assets. Accordingly, the shareholders seek to have inspection records for five years after the year the plan was confirmed and the inspection records for the ancillary cases per section 13 of the plan. (App. 198).

The shareholders appealed to the United States District Court to get an inspection of Debtors assets, including backlog of contracts. The District Court believed that the shareholders sought a redistribution of assets. (App. 17). The shareholders sought to reopen the case such that no action that had been consummated (App. 25) be disturbed. (App. 27), (App. 31). The District Court stated that the shareholders were interested in the redistribution of the Debtors' assets and as such had failed to meet their legal burden to rebut the presumption of mootness resulting from the substantial consummation.

In addition to coming to the same conclusion as the District Court, the United States Court of Appeals determined that the issue on appeal, whether the district court properly dismissed Petitioner's appeal from a bankruptcy court order as moot, has been waived because it was not briefed by Petitioner in his opening brief. (App. 3). The Petitioner re sponded that the appeal was not briefed in the District Court because the District Court clerk would not acknowledge that the shareholders had filed for an extension of time for filling the Petitioner's brief because the same day the brief was due the Petitioner was required to take part in a hearing to settle the record on appeal. (Proof of Service Apps. 50 & 51). A similar problem occurred later (App. 23) when the District Court claimed that a notice of appeal was not entered as filed either with the Bankruptcy Court or the District Court. (Proof of Service Apps. 51-53). App. 77 is a copy of the one-page brief submitted to

the Circuit Court incorporating the record on Appeal. App. 78 is the Circuit Court order for the District Court to file the record on appeal with the Circuit Court.

When equitable mootness is applied at the District Court level and at the Circuit Court level the Petitioner is deprived of any appeal from the Bankruptcy Court. By the logic in the lower courts, when the assets set forth in the Debtors' Plan of Reorganization are consummated, substantial valuable assets shown to be not in the Plan of Reorganization are also consummated for the benefit of so called innocent parties who served on committees and opposed shareholder efforts to inspect Debtors' undeclared assets. (App. 29).

REASONS FOR GRANTING PETITION

I. Review is warranted in this case because if Circuit Courts may appoint judges for the Circuit Courts below they would be reviewing appeals that originated from the very judges they had appointed. Such a practice, once established could be continued and as such be a threat to an independent judiciary and leave the people without an independent check on the other two branches and without an independent check against special interest.

II. Review is warranted in this case because the question whether the United States Bankruptcy Court is a court of the United States has important

and practical consequences that require resolution if there is to be elimination in the split in judicial decisions and to end needless, costly, and time-consuming litigation. Currently, many of the questions relating to whether the bankruptcy court is a "court of the United States" revolves around such issues as the authority of bankruptcy judges to enter final in forma pauperis orders and to appoint attorneys under 28 U.S.C. Section 1915. Since the district court is given original and exclusive jurisdiction over a bankruptcy "case" under 28 U.S.C. Section 1334(a), the district court could conduct a preliminary review of a case to determine if it could clear the deck of issues relating to the authority of Article III jurisdiction. Since bankruptcy judges may hear and determine all cases under 28 U.S.C. Section 157(b)(1) and all core proceedings, the district court, after the Article III issues are resolved, could quickly process the bankruptcy case to the bankruptcy court for administration of core proceedings under 28 U.S.C. Section 157(b)(2).

Such a procedure would have other benefits for reducing costly and time-consuming litigation because it would establish a direct one-to-one relationship between an Article III district court judge and an Article I bankruptcy judge. When Article III issues arise in an Article I bankruptcy court such as sanctions for excessive costs under 28 U.S.C. Section 1927 or entering declaratory judgments under 28 U.S.C. Section 2201 or to award attorney's fees and costs against the government under the Equal Access to

Justice Act (EAJA) and the Internal Revenue Code the issues could quickly be turned over to the Article III district court who already has some familiarity with the case, without impacting other administrative procedure in the Article I court.

III. Review is warranted in this case because the Equitable Mootness Doctrine is not part of the Bankruptcy Code. With the Equitable Mootness Doctrine the people will be at risk to lose access to the Courts and be at risk to tyranny.

IV. A culture that permits Article I Judges to be controlled by financial interests and to have professional association with those who appear in his court poses a threat of loss of security for the people.

CONCLUSION

For the above reasons, the Court should grant certiorari.

Respectfully submitted,

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Feb. 25, 2008

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

AMENDED SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO SUMMARY ORDERS FILED AFTER JANUARY 1, 2007, IS PERMITTED AND IS GOVERNED BY THIS COURT'S LOCAL RULE 32.1 AND FEDERAL RULE OF APPELLATE PROCEDURE 32.1. IN A BRIEF OR OTHER PAPER IN WHICH A LITIGANT CITES A SUMMARY ORDER, IN EACH PARAGRAPH IN WHICH A CITATION APPEARS, AT LEAST ONE CITATION MUST EITHER BE TO THE FEDERAL APPENDIX OR BE ACCOMPANIED BY THE NOTATION: "(SUMMARY ORDER)." A PARTY CITING A SUMMARY ORDER MUST SERVE A COPY OF THAT SUMMARY ORDER TOGETHER WITH THE PAPER IN WHICH THE SUMMARY ORDER IS CITED ON ANY PARTY NOT REPRESENTED BY COUNSEL UNLESS THE SUMMARY ORDER IS AVAILABLE IN AN ELECTRONIC DATABASE WHICH IS PUBLICLY ACCESSIBLE WITHOUT PAYMENT OF FEE (SUCH AS THE DATABASE AVAILABLE AT http://www.ca2.uscourts.gov/). IF NO COPY IS SERVED BY REASON OF THE AVAILABILITY OF THE ORDER ON SUCH A DATABASE, THE CITATION MUST INCLUDE REFERENCE TO THAT DATABASE AND THE DOCKET NUMBER OF THE CASE IN WHICH THE ORDER WAS ENTERED.

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 25th day of February, two thousand eight.

PRESENT:

HON. BARRINGTON D. PARKER,
HON. DEBRA ANN LIVINGSTON[1],
Circuit Judges.

In re: Loral Space & Communications Ltd. *et al.*,

Loral Stockholders Protective Committee, *et al.*,
Appellants,

-v.-

Loral Space & Communications Ltd., *et al.*,
Debtors-Appellees.

SUMMARY ORDER
No. 06-3720-bk

(Filed Feb. 25, 2008)

FOR APPELLANTS: Peter Ivaldy, *pro se*, Huntington Beach, California

FOR DEBTOR-APPELLEES: Stephen Karotkin, Weil, Gotshal & Manges LLP, New York, New York, John W. Berry, Akin, Gump, Strauss, Hauer & Feld LLP, New York, New York.

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[1] Because the Honorable Richard C. Wesley recused himself prior to argument, a two-judge panel decided this case. *See* 2d Cir. R. § 0.14(b).

UPON DUE CONSIDERATION, it is hereby ORDERED, ADJUDGED, AND DECREED that the district court judgment is AFFIRMED.

Appellants, *pro se*, appeal from the May 30, 2006 judgment of the United States District Court for the Southern District of New York (Marrero, J.) granting Debtors-Appellees' motion to dismiss, and the June 16, 2006 order of the district court denying Appellants' motion for reconsideration. We assume the parties' familiarity with the underlying facts and procedural history of the case.

This Court exercises plenary review over the decisions of the district court and bankruptcy court in bankruptcy matters. We review conclusions of law *de novo* and findings of fact for clear error. *See Superintendent of Ins. v. Ochs (In re First Cent. Fin. Corp.)*, 377 F.3d 209, 212 (2d Cir. 2004). In this case, the district court did not review the propriety of the order entered by the bankruptcy court. Rather, the district court made independent factual findings with respect to the substantial consummation of the reorganization plan and applied those findings in considering whether Appellants had met their legal burden to rebut the presumption of mootness resulting from the substantial consummation. Therefore, we review the district court's factual findings for clear error and its legal conclusions *de novo*. *See id.*

The issue on appeal, whether the district court properly dismissed Appellants' appeal from a bankruptcy court order as moot, has been waived because

it was not briefed by Appellants in their opening brief. *See Norton v. Sam's Club*, 145 F.3d 114, 117 (2d Cir. 1998) ("Issues not sufficiently raised in the briefs are considered waived and normally will not be addressed on appeal."); *see also Joseph v. Leavitt*, 465 F.3d 87, 93-94 (2d Cir. 2006). Appellants' one-page brief does not identify the issue or provide any legal arguments in support of the claim. In any event, a review of the record reveals that the district court properly concluded that Appellants' appeal was moot. *See In re Chateaugay Corp.*, 94 F.3d 772, 776 (2d Cir. 1996) ("[w]hen a plan of reorganization has been substantially consummated, an appeal is presumed moot").

A district court's denial of a party's motion to alter or amend a judgment under Federal Rule of Civil Procedure Rule 59(e) is reviewed for abuse of discretion. *See Munafo v. Metro. Transp. Auth.*, 381 F.3d 99, 105 (2d Cir. 2004). District courts may alter or amend a judgment pursuant to Rule 59(e) "to correct a clear error of law or prevent manifest injustice." *Id.* at 105. A review of the record reveals that the district court did not abuse its discretion in denying Appellants' motion for reconsideration.

Therefore, we hereby AFFIRM the order and the judgment of the district court.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk

By: /s/ Frank Perez, Deputy Clerk

Feb. 22, 2008

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO SUMMARY ORDERS FILED AFTER JANUARY 1, 2007, IS PERMITTED AND IS GOVERNED BY THIS COURT'S LOCAL RULE 32.1 AND FEDERAL RULE OF APPELLATE PROCEDURE 32.1. IN A BRIEF OR OTHER PAPER IN WHICH A LITIGANT CITES A SUMMARY ORDER, IN EACH PARAGRAPH IN WHICH A CITATION APPEARS, AT LEAST ONE CITATION MUST EITHER BE TO THE FEDERAL APPENDIX OR BE ACCOMPANIED BY THE NOTATION: "(SUMMARY ORDER)." A PARTY CITING A SUMMARY ORDER MUST SERVE A COPY OF THAT SUMMARY ORDER TOGETHER WITH THE PAPER IN WHICH THE SUMMARY ORDER IS CITED ON ANY PARTY NOT REPRESENTED BY COUNSEL UNLESS THE SUMMARY ORDER IS AVAILABLE IN AN ELECTRONIC DATABASE WHICH IS PUBLICLY ACCESSIBLE WITHOUT PAYMENT OF FEE (SUCH AS THE DATABASE AVAILABLE AT http://www.ca2.uscourts.gov/). IF NO COPY IS SERVED BY REASON OF THE AVAILABILITY OF THE ORDER ON SUCH A DATABASE, THE CITATION MUST INCLUDE REFERENCE TO THAT DATABASE AND THE DOCKET NUMBER OF THE CASE IN WHICH THE ORDER WAS ENTERED.

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 22nd day of February, two thousand eight.

PRESENT:

HON. BARRINGTON D. PARKER,
HON. RICHARD C. WESLEY,
HON. DEBRA ANN LIVINGSTON,
Circuit Judges.

In re: Loral Space & Communications Ltd. *et al.*,

Loral Stockholders Protective Committee, *et al.*,
Appellants,

-v.-

Loral Space & Communications Ltd., *et al.*,
Debtors-Appellees.

SUMMARY ORDER
No. 06-3720-bk

(Filed Feb. 22, 2008)

FOR APPELLANTS: Peter Ivaldy, *pro se*, Huntington Beach, California

FOR DEBTOR-APPELLEES: Stephen Karotkin, Weil, Gotshal & Manges LLP, New York, New York, John W. Berry, Akin, Gump, Strauss, Hauer & Feld LLP, New York, New York.

UPON DUE CONSIDERATION, it is hereby ORDERED, ADJUDGED, AND DECREED that the district court judgment is AFFIRMED.

Appellants, *pro se,* appeal from the May 30, 2006 judgment of the United States District Court for the Southern District of New York (Marrero, J.) granting Debtors-Appellees' motion to dismiss, and the June 16, 2006 order of the district court denying Appellants' motion for reconsideration. We assume the parties' familiarity with the underlying facts and procedural history of the case.

This Court exercises plenary review over the decisions of the district court and bankruptcy court in bankruptcy matters. We review conclusions of law *de novo* and findings of fact for clear error. *See Superintendent of Ins. v. Ochs* (*In re First Cent. Fin. Corp.*), 377 F.3d 209, 212 (2d Cir. 2004). In this case, the district court did not review the propriety of the order entered by the bankruptcy court. Rather, the district court made independent factual findings with respect to the substantial consummation of the reorganization plan and applied those findings in considering whether Appellants had met their legal burden to rebut the presumption of mootness resulting from the substantial consummation. Therefore, we review the district court's factual findings for clear error and its legal conclusions *de novo. See id.*

The issue on appeal, whether the district court properly dismissed Appellants' appeal from a bankruptcy court order as moot, has been waived because

it was not briefed by Appellants in their opening brief. *See Norton v. Sam's Club*, 145 F.3d 114, 117 (2d Cir. 1998) ("Issues not sufficiently raised in the briefs are considered waived and normally will not be addressed on appeal."); *see also Joseph v. Leavitt*, 465 F.3d 87, 93-94 (2d Cir. 2006). Appellants' one-page brief does not identify the issue or provide any legal arguments in support of the claim. In any event, a review of the record reveals that the district court properly concluded that Appellants' appeal was moot. *See In re Chateaugay Corp.*, 94 F.3d 772, 776 (2d Cir. 1996) ("[w]hen a plan of reorganization has been substantially consummated, an appeal is presumed moot").

A district court's denial of a party's motion to alter or amend a judgment under Federal Rule of Civil Procedure Rule 59(e) is reviewed for abuse of discretion. *See Munafo v. Metro. Transp. Auth.*, 381 F.3d 99, 105 (2d Cir. 2004). District courts may alter or amend a judgment pursuant to Rule 59(e) "to correct a clear error of law or prevent manifest injustice." *Id.* at 105. A review of the record reveals that the district court did not abuse its discretion in denying Appellants' motion for reconsideration.

Therefore, we hereby AFFIRM the order and the judgment of the district court.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk

By: /s/ Frank Perez, Deputy Clerk

FEB. 25, 2008

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

AMENDED SUMMARY ORDER

RULINGS BY SUMMARY ORDER DO NOT HAVE PRECEDENTIAL EFFECT. CITATION TO SUMMARY ORDERS FILED AFTER JANUARY 1, 2007, IS PERMITTED AND IS GOVERNED BY THIS COURT'S LOCAL RULE 32.1 AND FEDERAL RULE OF APPELLATE PROCEDURE 32.1. IN A BRIEF OR OTHER PAPER IN WHICH A LITIGANT CITES A SUMMARY ORDER, IN EACH PARAGRAPH IN WHICH A CITATION APPEARS, AT LEAST ONE CITATION MUST EITHER BE TO THE FEDERAL APPENDIX OR BE ACCOMPANIED BY THE NOTATION: "(SUMMARY ORDER)." A PARTY CITING A SUMMARY ORDER MUST SERVE A COPY OF THAT SUMMARY ORDER TOGETHER WITH THE PAPER IN WHICH THE SUMMARY ORDER IS CITED ON ANY PARTY NOT REPRESENTED BY COUNSEL UNLESS THE SUMMARY ORDER IS AVAILABLE IN AN ELECTRONIC DATABASE WHICH IS PUBLICLY ACCESSIBLE WITHOUT PAYMENT OF FEE (SUCH AS THE DATABASE AVAILABLE AT http://www.ca2.uscourts.gov/). IF NO COPY IS SERVED BY REASON OF THE AVAILABILITY OF THE ORDER ON SUCH A DATABASE, THE CITATION MUST INCLUDE REFERENCE TO THAT DATABASE AND THE DOCKET NUMBER OF THE CASE IN WHICH THE ORDER WAS ENTERED.

MANDATE

At a stated term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 25th day of February, two thousand eight.

PRESENT:

HON. BARRINGTON D. PARKER,
HON. DEBRA ANN LIVINGSTON[1],
Circuit Judges.

In re: Loral Space & Communications Ltd. *et al.*,

Loral Stockholders Protective Committee, *et al.*,
Appellants,

-v.-

Loral Space & Communications Ltd., *et al.*,
Debtors-Appellees.

AMENDED SUMMARY ORDER
No. 06-3720-bk

(Filed Feb. 25, 2008)

FOR APPELLANTS: Peter Ivaldy, *pro se*, Huntington Beach, California.

FOR DEBTOR-APPELLEES: Stephen Karotkin, Weil, Gotshal & Manges LLP, New York, New York, John W. Berry, Akin, Gump, Strauss, Hauer & Feld LLP, New York, New York.

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[1] Because the Honorable Richard C. Wesley recused himself prior to argument, a two-judge panel decided this case. *See* 2d Cir. R. § 0.14(b).

UPON DUE CONSIDERATION, it is hereby ORDERED, ADJUDGED, AND DECREED that the district court judgment is AFFIRMED.

Appellants, *pro se,* appeal from the May 30, 2006 judgment of the United States District Court for the Southern District of New York (Marrero, J.) granting Debtors-Appellees' motion to dismiss, and the June 16, 2006 order of the district court denying Appellants' motion for reconsideration. We assume the parties' familiarity with the underlying facts and procedural history of the case.

This Court exercises plenary review over the decisions of the district court and bankruptcy court in bankruptcy matters. We review conclusions of law *de novo* and findings of fact for clear error. *See Superintendent of Ins. v. Ochs* (*In re First Cent. Fin. Corp.*), 377 F.3d 209, 212 (2d Cir. 2004). In this case, the district court did not review the propriety of the order entered by the bankruptcy court. Rather, the district court made independent factual findings with respect to the substantial consummation of the reorganization plan and applied those findings in considering whether Appellants had met their legal burden to rebut the presumption of mootness resulting from the substantial consummation. Therefore, we review the district court's factual findings for clear error and its legal conclusions *de novo. See id.*

The issue on appeal, whether the district court properly dismissed Appellants' appeal from a bankruptcy court order as moot, has been waived because

it was not briefed by Appellants in their opening brief. *See Norton v. Sam's Club,* 145 F.3d 114, 117 (2d Cir. 1998) ("Issues not sufficiently raised in the briefs are considered waived and normally will not be addressed on appeal."); *see also Joseph v. Leavitt,* 465 F.3d 87, 93-94 (2d Cir. 2006). Appellants' one-page brief does not identify the issue or provide any legal arguments in support of the claim. In any event, a review of the record reveals that the district court properly concluded that Appellants' appeal was moot. *See In re Chateaugay Corp.,* 94 F.3d 772, 776 (2d Cir. 1996) ("[w]hen a plan of reorganization has been substantially consummated, an appeal is presumed moot").

A district court's denial of a party's motion to alter or amend a judgment under Federal Rule of Civil Procedure Rule 59(e) is reviewed for abuse of discretion. *See Munafo v. Metro. Transp. Auth.,* 381 F.3d 99, 105 (2d Cir. 2004). District courts may alter or amend a judgment pursuant to Rule 59(e) "to correct a clear error of law or prevent manifest injustice." *Id.* at 105. A review of the record reveals that the district court did not abuse its discretion in denying Appellants' motion for reconsideration.

Therefore, we hereby AFFIRM the order and the judgment of the district court.

FOR THE COURT:
Catherine O'Hagan Wolfe, Clerk

By: /s/ Frank Perez, Deputy Clerk

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
THURGOOD MARSHALL U.S. COURT HOUSE
40 FOLEY SQUARE
NEW YORK 10007

Roseann B. MacKechnie
CLERK

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 23rd day of OCTOBER, two thousand six.

Loral Stockholders Protective Committee,
American Shareholder Rights, LLP
Phillip Peter Ivaldy,

Appellants,

v. DOCKET NO.: 06-3720-bk

Loral Space & Communications Ltd., Official Committee of Unsecured Creditors of Loral Space & Communications Ltd., et al., (Filed Oct. 23, 2006)

Debtor-Appellees.

The Court noting that an order dismissing the appeal having been entered in error on 10/17/06.

IT IS HEREBY ORDERED that the order vacated; and it is further noted that the appeal is

reinstated, and a new sheduling order No. 2 shall be issued.

For the Court,
Roseann B. MacKechnie, Clerk

/s/ Eddie Andino
By: Eddie Andino
Deputy Clerk

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LORAL SPACE & COMMUNICATIONS LTD., et al., Debtors	
LORAL STOCKHOLDERS PROTECTIVE COMMITTEE, Appellant, – against – LORAL SPACE & COMMUNICATIONS LTD., et al., Appellees.	05 Civ. 7975 (VM) **DECISION AND ORDER** (Filed Jun. 15, 2006)

VICTOR MARRERO, United States District Judge.

By Order dated May 26, 2006 ("the Order"), the Court granted the motion of Loral Space & Communications Ltd. ("Loral Ltd.") and its affiliated reorganized debtors and debtors in possession (collectively, "Loral") to dismiss as moot the appeal of *pro se* appellant Loral Stockholders Protective Committee ("LSPC") from two orders of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). By the same Order, the Court dismissed as moot LSPC's appeal of the Bankruptcy Court's order to strike certain items from the record on appeal.

LSPC now moves for an order pursuant to Local Civil Rule 6.3 granting reconsideration. LSPC's submission in support of its motion for reconsideration reiterates the same arguments that it made in its opposition to Loral's motion to dismiss the appeal as moot. Accordingly, the motion for reconsideration is denied.

Reconsideration of a previous order is an "extraordinary remedy to be employed sparingly in the interests of finality and conservation of scarce judicial resources." *In re Health Mgmt. Sys. Inc. Sec. Litig.*, 113 F. Supp. 2d 613, 614 (S.D.N.Y. 2000) (citations and quotation omitted). A motion for reconsideration under Local Rule 6.3 must demonstrate controlling law or factual matters put before the court on the underlying motion that the movant believes the court overlooked and that might reasonably be expected to alter the court's decision. *See Shrader v. CSX Transp., Inc.*, 70 F.3d 255, 257 (2d Cir. 1995); *SEC v. Ashbury Capital Partners, L.P.*, No. 00 Civ. 7898, 2001 WL 604044, at *1 (S.D.N.Y. May 31, 2001). Local Rule 6.3 is intended to "'ensure the finality of decisions and to prevent the practice of a losing party . . . plugging the gaps of a lost motion with additional matters.'" *Ashbury Capital Partners*, 2001 WL 604044, at *1 (quoting *Carolco Pictures, Inc. v. Sirota*, 700 F. Supp. 169, 170 (S.D.N.Y. 1988)). A court must narrowly construe and strictly apply Local Rule 6.3 so as to avoid duplicative rulings on previously considered issues and to prevent the rule from being used as a substitute for appealing a final judgment. *See*

Montanile v. Nat'l Broad. Co., 216 F. Supp. 2d 341, 342 (S.D.N.Y. 2002); *Shamis v. Ambassador Factors Corp.*, 187 F.R.D. 148, 151 (S.D.N.Y. 1999).

LSPC's request cites no controlling law or factual matters the Court overlooked that might reasonably be expected to alter the outcome of the Order. In fact, the Court took into account and rejected the various considerations LSPC asserts as grounds for its motion.

When a bankruptcy reorganization plan has been substantially consummated, an appeal is presumed moot, and to overcome the presumption of mootness, an appellant must demonstrate each of five factors set forth in *In re Chateaugay Corp.*, 10 F.3d 944, 952 (2d Cir. 1993). In its original papers opposing the motion to dismiss the appeal as moot, LSPC did not address the *Chateaugay* factors. In the instant motion for reconsideration, LSPC addresses several of those factors, arguing that the relief it seeks will not will not affect the re-emergence of Loral as a revitalized corporate entity and will not unravel intricate transactions so as to overturn the authorization for every transaction that has taken place and create an unmanageable situation for the Bankruptcy Court. However, the Court explicitly considered these issues in the Order and concluded that the relief sought – inspection of Loral's assets and redistribution of such assets should the inspection lead to a different valuation from that determined by the Bankruptcy Court – would indeed lead to such results, and thus LSPC could not overcome the presumption that its appeal is

moot. LSPC has not set forth any factual matters overlooked by this Court that would alter its decision.

LSPC argues that *Chateaugay* and other similar cases are distinguishable because in those cases the shareholders sought to challenge and interfere with a bankruptcy consummation plan and thus stop the distribution of assets "through adversarial processes." (Loral Stockholder Protection [sic] Committee Petition for Reconsideration of the District Court Order Issued on May 26, 2006, dated June 8, 2006, at 3.) To the extent this argument suggests that the relief sought would not be so disruptive to support a finding that the appeal is moot under the *Chateaugay* factors, this Court has already considered LSPC's contention and concluded the opposite.

The remainder of LSPC's arguments concern the substance of the appeal and do not pertain to whether the appeal is moot. Therefore, LSPC's motion for reconsideration is denied.

ORDER

For the reasons stated above, it is hereby

ORDERED that the motion of appellant Loral Stockholders Protective Committee (Docket No. 16) pursuant to Local Civil Rule 6.3 for reconsideration of the Order entered in this action on May 26, 2006 is DENIED.

SO ORDERED.

Dated: New York, New York
14 June 2006

/s/ Victor Marrero
Victor Marrero U.S.D.J.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re LORAL SPACE & COMMUNICATIONS LTD., et al., Debtors	:	
LORAL STOCKHOLDERS PROTECTIVE COMMITTEE, Appellant, – against – LORAL SPACE & COMMUNICATIONS LTD., et al., Appellees.	:	05 Civ. 7975 (VM) **DECISION AND ORDER**

VICTOR MARRERO, United States District Judge.

Pending before the Court is the motion of appellees Loral Space & Communications Ltd. ("Loral Ltd.") and its affiliated reorganized debtors and debtors in possession (collectively, "Loral" or the "Reorganized Debtors") to dismiss as moot the appeal of *pro se* appellant Loral Stockholders Protective Committee ("LSPC") from two orders of the United States Bankruptcy Court for the Southern District of New York. Loral's motion was joined by appellee Official Committee of Unsecured Creditors of Loral Space & Communications Ltd. (the "Creditors Committee").

For the reasons set forth below, Loral's motion to dismiss is granted.

I. BACKGROUND

A. BANKRUPTCY COURT PROCEEDINGS AND APPEALS THEREFROM

On August 1, 2005, Judge Robert Drain of the United States Bankruptcy Court of the Southern District of New York (the "Bankruptcy Court") entered two orders in connection with Chapter 11 bankruptcy proceedings involving Loral. The first order (the "Confirmation Order") confirmed Loral's Fourth Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the "Reorganization Plan").[1] The second order (the "Denial Order") denied the motion of the Official Committee of Equity Security Holders for leave to prosecute a fraudulent conveyance claim.[2]

On or about August 10, 2005, LSPC apparently attempted to appeal the Bankruptcy Court's two orders by submitting certain documents to Judge

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[1] *See* Order Confirming Debtors' Fourth Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, as Modified, dated August 1, 2005, attached as Exhibit 1 to the Declaration of Eric J. Zahler in Support of Appellees' Motion to Dismiss the Loral Stockholders Protective Committees' Appeal, dated February 3, 2006 ("Zahler Decl.").

[2] *See* Order Denying Motion of the Official Committee of Equity Security Holders for Leave to Prosecute Claim, dated August 1, 2005, attached as Exhibit 2 to Zahler Decl.

Robert Patterson of this Court, who had adjudicated a previous appeal of a Bankruptcy Court order brought by LSPC in 2004 in connection with the Loral bankruptcy proceedings. Judge Patterson denied the application, indicating that the Court did not have plenary jurisdiction over the Loral bankruptcy proceedings and that any appeal of an order or decision of the Bankruptcy Court must be filed with the Clerk of Court for random assignment to a district court judge. *See* Endorsed Letter (Docket No. 36), *In re Loral Space & Communications,* 04 Civ. 8645 (RPP) (S.D.N.Y. Aug. 16, 2005). On August 10, 2005, LSPC also submitted to the Clerk of the Bankruptcy Court a notice of appeal captioned "Appeal of Drain's Orders Approving 4th Amended Plan, Disclosures and Denying Leave to Sue Request on Fraudulent Conveyance Charge In re: Loral Space & Communications Ltd., et al. Brought by the Loral Stockholders Protective Committee" (the "Notice of Appeal"), along with a designation of items in the record on appeal (the "Designation"). According to Loral, LSPC did not serve a copy of the Notice of Appeal or the Designation on Loral or any other party in interest, and Loral did not receive notice of the appeal until the Clerk of the Bankruptcy Court entered the documents on the Bankruptcy Court's docket on September 6, 2005 and September 7, 2005.

On September 14, 2005, the Notice of Appeal was transmitted to this Court.[3] This Notice of Appeal contains arguments in support of LSPC's appeal; however, other than correspondence in September 2005 from the parties regarding scheduling a conference call, this Court received no further briefing on this appeal.

On September 16, 2005, Loral filed a motion in the Bankruptcy Court to strike certain items from the Designation. On October 3, 2005, the Bankruptcy Court issued an order (the "Strike Order") granting the motion to strike in large part and directed Loral and LSPC to draft a joint designation of record reflecting the Bankruptcy Court's determination regarding which items would be included in the record on appeal.

On or about October 14, 2005, LSPC allegedly submitted to the Bankruptcy Court a notice of appeal of the Strike Order; according to Loral, no record exists of that notice of appeal being filed with the Clerk of the Bankruptcy Court.[4] Nonetheless, on

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[3] This Notice of Appeal, although assigned to this Court, is addressed to Judge Robert Patterson.

[4] The Docket Sheet for the underlying bankruptcy case, No. 03-41710, does not indicate that any notice of appeal of the Strike Order was filed. On October 14, 2005, this Court's chambers received a copy of a document dated October 12, 2005 and entitled "Notice of Appeal," indicating an appeal of the Strike Order, with a certificate of service indicating service upon the Bankruptcy Court, this Court, and attorneys for Loral. However, this document was not entered as filed either with the

(Continued on following page)

October 19, 2005, LSPC submitted papers to this Court in support of its appeal of the Strike Order (the "Strike Appeal") under the same docket number as the instant appeal. (*See* Loral Stockholders Protective Committee Appeal of U.S. Bankruptcy Court Order, Dated October 3, 2005 Granting Motion to Strike Certain Items from the Record on Appeal by the Loral Stockholders Protective Committee, dated October 18, 2005.) On November 1, 2005, Loral filed its response to the Strike Appeal, arguing both that the Strike Order was correct and that LSPC's appeal was untimely; the Creditors' Committee joined Loral's response. LSPC filed a reply on November 10, 2006.

B. IMPLEMENTATION OF THE REORGANIZATION PLAN

Following entry of the August 1, 2005 orders of the Bankruptcy Court, Loral undertook several steps required to implement the Reorganization Plan, including (1) obtaining approval from the Federal Communications Commission to transfer space and earth station licenses to Loral Space & Communications Inc. ("New Loral"), the entity through which Loral was to begin conducting business following the effective date of the Reorganization Plan; (2) entering

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Bankruptcy Court or this Court. In its opposition to LSPC's Strike Appeal, Loral argues that because there is no evidence that LSPC's appeal was *filed* with the Bankruptcy Court by October 14, 2005, it should be dismissed as untimely under Bankruptcy Rule 8002(a).

into numerous agreements, including a Note Indenture, required to implement the Reorganization Plan; and (3) filing with the Secretary of State of the State of Delaware the New Loral Certificate of Incorporation and Reorganized Subsidiary Debtors' Certificates of Incorporation. (*See* Appellees' Mem. of Law in Supp. of Mot. to Dismiss the Loral Stockholders Protective Committee's Appeal, dated February 3, 2006 ("Loral Mem."), at 6; Zahler Decl. ¶ 4.)

On November 21, 2005, the Reorganization Plan became effective. On that date, Loral emerged from Chapter 11 and began conducting business as New Loral. (Zahler Decl. ¶¶ 3, 5.)

Following the effective date, Loral engaged in numerous actions to consummate the Reorganization Plan, including:

(1) distributing $81.2 million in cash under the Reorganization Plan to over 600 creditors, in satisfaction of various claims under the Reorganization Plan;

(2) distributing 18.7 million shares of new common stock and 987,000 shares of new preferred stock of New Loral to certain creditors in satisfaction of their claims;

(3) cancelling over 44 million shares of common stock and over four million shares of preferred stock held by the pre-existing shareholders of Loral Ltd., including all stock held by members of LSPC;

(4) causing the stock of New Loral to begin trading on the NASDAQ on December 8, 2005;

(5) distributing new notes defined under the Reorganization Plan to creditors who exercised subscription rights defined under the Reorganization Plan;

(6) closing the sale of certain assets enumerated in the Reorganization Plan; and

(7) assuming executory contracts and unexpired leases in reliance on the restructuring effected by the Reorganization Plan.

(Zahler Decl. ¶ 6.) Thus, substantially all of the property of Loral proposed to be transferred, and all equity interests in Loral proposed to be cancelled under the Reorganization Plan, were transferred and cancelled, respectively; the Reorganized Debtors assumed all business operations and all property dealt with by the Reorganization Plan; and nearly all distributions to be made under the Reorganization Plan have been completed. (Zahler Decl. ¶ 7.)

Additional transactions have also taken place in reliance on the Reorganization Plan. For example, in reliance on the occurrence of the effective date of the Reorganization Plan, Loral entered into a settlement resolving long-standing disputes with another entity; such settlement was approved by the Bankruptcy Court on January 6, 2006. (Zahler Decl. ¶¶ 8-9.)

Although LSPC appealed the Bankruptcy Court's orders, it did not seek a stay of the Reorganization Plan. LSPC admits that it "has not attempted to

oppose numerous actions of Debtors to consummate the Reorganization Plan," including all of the enumerated actions above. (Appellant's Resp. Br. to Debtors' Mot. to Dismiss the Loral Stockholder Protective Committee's Appeal and Appellant's Motion for Order to Reopen the Confirmation Hearing of Debtors' Confirmation Plan Such That No Actions That Have Been Consummated Be Disturbed, dated March 3, 2006 ("LSPC Opposition Br."), at 5.) Indeed, LSPC asserts that there was "absolutely no requirement and absolutely no need to seek a stay of the Confirmation Order." (*Id.*)

C. MOTION TO DISMISS THE APPEAL AS MOOT

On February 3, 2006, Loral filed a motion to dismiss LSPC's appeal of the Confirmation Order and the Denial Order as moot. The Creditors' Committee joined in the motion on February 8, 2006. LSPC filed an opposition brief on March 3, 2006;[5] and Loral filed a reply on March 17, 2006.

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[5] LSPC's opposition brief was served upon Loral on March 3, 2006, but was not filed with the Court until March 27, 2006. LSPC brought to the Court's attention that its opposition brief filed with the Court on March 27 contained corrections to typographical errors in the March 3 brief served upon Loral. After review of both the March 3 and March 27 LSPC briefs, counsel for Loral indicated to the Court that Loral consented to have its March 17, 2006 reply be deemed a reply to the March 27, 2006 LSPC brief filed with the Court.

II. DISCUSSION

A. LEGAL STANDARD

When a plan of reorganization has been substantially consummated, an appeal is presumed moot. *See, In re Chateaugay Corp.*, 94 F.3d 772, 776 (2d Cir. 1996) ("*Chateaugay III*") ("Reviewing courts presume that it will be inequitable or impractical to grant relief after substantial consummation of a plan of reorganization."); *In re Enron Corp.*, 326 B.R. 497, 502 (S.D.N.Y. 2005); *In re Best Prods. Co.*, 177 B.R. 791, 803 (S.D.N.Y. 1995); *In re Texaco Inc.*, 92 B.R. 38, 46 (S.D.N.Y. 1988). Substantial consummation is defined under the Bankruptcy Code to mean:

> (A) transfer of all or substantially all of the property proposed by the plan to be transferred;
>
> (B) assumption by the debtor or by the successor to the debtor under the plan of the business or of the management of all or substantially all of the property dealt with by the plan; and
>
> (C) commencement of distribution under the plan.

11 U.S.C. § 1101(2); *see also In re Metromedia Fiber Network, Inc.*, 416 F.3d 136, 144 (2d Cir. 2005) *Texaco*, 92 B.R. at 46 n.12.

Mootness has two aspects in the context of a bankruptcy appeal. First, Article III of the Constitution requires that there be a live case or controversy so that the court can grant effective relief. *See In re Best Prods. Co.*, 68 F.3d 26, 29-30 (2d Cir. 1995); *In re*

Chateaugay Corp., 10 F.3d 944, 952 (2d Cir. 1993) ("*Chateaugay II*"); *In re Chateaugay Corp.*, 988 F.2d 322, 325 (2d Cir. 1993) ("*Chateaugay I*"). Second, equitable considerations provide that even if the court could conceivably fashion relief, the appeal should be dismissed as moot if implementation of that relief would be inequitable. *See Metromedia*, 416 F.3d at 143; *Best Prods.*, 68 F.3d at 30; *Chateaugay I*, 988 F.2d at 325.

These principles are "especially pertinent" in the bankruptcy context, "where the ability to achieve finality is essential to the fashioning of effective remedies." *Chateaugay I*, 988 F.2d at 325. It is for this reason that substantial consummation of a reorganization plan will often moot an appeal. *See, e.g.*, *Metromedia*, 416 F.3d at 144 ("Equitable mootness is a prudential doctrine that is invoked to avoid disturbing a reorganization plan once implemented."); *Chateaugay I*, 988 F.2d at 326 ("As a practical matter, completed acts in accordance with an unstayed order of the bankruptcy court must not thereafter be routinely vulnerable to nullification if a plan of reorganization is to succeed."); *Texaco*, 92 B.R. at 45 ("When a confirmed plan of reorganization is involved, . . . it is not hard to imagine that hundreds or even thousands of good-faith transactions by innocent parties may be undertaken in reliance thereon before an appeal is decided on the merits. Under such circumstances, it would be manifestly unjust to reverse on appeal. . . .").

The failure to seek a stay of the confirmation order pending appeal, with the result that the reorganization is substantially consummated, in particular lends itself to a finding that an appeal is moot. *See Texaco,* 92 B.R. at 46 ("Under these circumstances there fairly exists a strong presumption that appellants' challenges have been rendered moot due to their inability or unwillingness to seek a stay.") (citation and quotation omitted); *accord Enron,* 326 B.R. at 502.

However, although a "momentous event," substantial consummation does not necessarily make it impossible or inequitable for a court to grant effective relief. *Chateaugay II*, 10 F.3d at 952. An appellant can overcome the presumption of mootness by establishing all of the following five factors (the "*Chateaugay* factors") set out by the Second Circuit in *Chateaugay II*:

(a) the court can still order some effective relief;

(b) such relief will not affect the re-emergence of the debtor as a revitalized corporate entity;

(c) such relief will not unravel intricate transactions so as to knock the props out from under the authorization for every transaction that has taken place and create an unmanageable, uncontrollable situation for the Bankruptcy Court;

(d) the parties who would be adversely affected by the modification have notice of the appeal and an opportunity to participate in the proceedings; and

> (e) the appellant pursued with diligence all available remedies to obtain a stay of execution of the objectionable order[,] if the failure to do so creates a situation rendering it inequitable to reverse the orders appealed from.

Id. at 952-53 (citations and quotations omitted).

B. APPLICATION

1. The Reorganization Plan Has Been Substantially Consummated

Loral has presented ample evidence that Reorganization Plan has been substantially consummated. Substantially all of the property proposed to be transferred, and all equity interests proposed to be cancelled, have been transferred and cancelled, respectively; the Reorganized Debtors have assumed all business operations and all property dealt with by the Reorganization Plan; and distributions under the plan have nearly been completed. LSPC freely acknowledges that these transactions have occurred and indeed admits that it did not even attempt to oppose consummation of the Reorganization Plan. It is clear, then, that the Reorganization Plan has been substantially consummated, creating a presumption that LSPC's appeal of the Bankruptcy Court's orders is moot.

2. The Chateaugay Factors Have Not Been Met

LSPC has not established each of the five *Chateaugay* factors necessary to rebut the presumption that its appeal is moot.

a. *It Is Highly Improbable that the Court Can Fashion Effective Relief*

Central to the issue of whether LSPC's appeal is moot is whether the Court can fashion effective relief. The Court's analysis of this issue is complicated by LSPC's failure to indicate exactly what relief it is seeking. The underlying appeal was not fully briefed. However, from LSPC's original Notice of Appeal, as well as arguments in its opposition brief, the Court deduces that LSPC is seeking a reopening of the confirmation proceedings so that LSPC can obtain additional discovery and inspect and re-value Loral's assets. LSPC states in its brief opposing dismissal that "[t]he only issue presented in the instant appeal is that the actions of the Court has [sic] systematically deprived the Debtors' shareholders' right to inspect Debtors' assets" (LSPC Opposition Br. at 5), and that the appeal was filed because the Bankruptcy Court "systematically deprived Debtors' shareholders the constitutional right to inspect and protect their property without disturbing necessary business affairs while Debtor was seeking Chapter 11 Bankruptcy Protection" (*Id.* at 6.). LSPC further states that "[a]t the core of the instant appeal is the belief that the Plan of Reorganization cannot comply with

(11 U.S.C. section 1129(a)(1)) until practical, reasonable and just inspection procedures under Rule 2004 (or of a full compliance of a Request for the Production of Documents) can provide empirical values of debtors' assets. The objective in such an inspection is to replace the unreliable and extremely broad range of estimates presented during the Confirmation Hearing with empirical evidence of the true value of Debtors' assets." (*Id.* at 7.) LSPC puts forth several hypothetical calculations as to what the valuation should or could have been, and indicates that it needs discovery and inspection of Loral's assets to prove its case. (*See id.* at 9-14.) *See also* Notice of Appeal at 9 (stating that the issues on appeal are (1) due process violations; (2) improper reliance on the business judgment rule; and (3) omissions and selective application of facts that constitute clearly erroneous application of the facts to the law); *id.* at 2 (arguing that the Bankruptcy Court violated appellants' due process and equal protection rights by not allowing them to "inspect their property"); *id.* at 3 (arguing that the Bankruptcy Court wrongfully relied on Loral's estimates, thus causing a "significant understatement of values" of certain Loral assets and an erroneous ruling "that the Debtor was insolvent and hence in favor of the proposed Debtor/Creditor cram down that eliminates the common shareholders of Loral").

The Court thus concludes that LSPC seeks to reopen the confirmation proceedings for a revaluation of all the assets that were distributed

pursuant to the Reorganization Plan, and redistribution of such assets should the reevaluation prove different. Although Loral concludes its opposition brief with a request for an order "to reopen the confirmation hearing of Debtors' confirmation plan such that no actions that have been consummated be disturbed" (LSPC Opposition Br. at 18), the Court does not see how the requested relief would not disturb the numerous consummated transactions and further transactions taken in reliance thereon. Even if the Court could order such relief, this would raise, as will be discussed below, substantial equitable concerns addressed by two other *Chateaugay* factors: affecting the re-emergence of the debtor as a revitalized corporate entity, and unraveling intricate transactions in a way that creates an unmanageable, uncontrollable situation for the Bankruptcy Court.

b. *The Relief Sought Will Affect the Re-Emergence of the Debtor as a Revitalized Corporate Entity and Will Unravel Intricate Transactions so as to Create an Unmanageable Situation for the Bankruptcy Court*

Chateaugay II also requires that to overcome the presumption of mootness generated by substantial confirmation of a reorganization plan, appellants must establish that the requested relief "will not affect the re-emergence of the debtor as a revitalized corporate entity" and "will not unravel intricate transactions so as to knock the props out from under

the authorization for every transaction that has taken place and create an unmanageable, uncontrollable situation for the Bankruptcy Court." 10 F.3d at 953 (citation and quotation omitted). The Court finds that the relief sought by LSPC would cause both of these events to occur.

First, to reopen the confirmation plan would result in the reinstatement of over $1.3 billion of indebtedness that the Reorganized Debtors are incapable of servicing. (Zahler Decl. ¶ 12.) This likely would have a ripple effect, creating a loss of confidence among New Loral's customers, vendors, and other business partners and leading to the Reorganized Debtors' breach of existing contractual relationships. (*Id.*) This would in turn lead to loss of revenues, inability to secure new contracts, and cash flow problems threatening the viability of New Loral.

Second, reopening the proceedings and unwinding the transfers and transactions that have taken place as part of the Reorganization Plan and in subsequent reliance on the Reorganization Plan, so that the Bankruptcy Court can revalue the debtors assets and redistribute accordingly, would clearly "knock the props out from under the authorization for every transaction that has taken place." *Chateaugay II,* 10 F.3d at 953 (citation and quotation omitted). Conceivably, the Debtors would have to attempt to recover $81.2 million in cash distributions to hundreds of creditors; New Loral stock that has been trading on NASDAQ for several months would have to be cancelled and de-listed; satisfied claims and

cancelled equity interests would have be reinstated; asset transfers and sales implemented under the Reorganization Plan would have to be unwound; and complications related to the liquidation proceedings of Loral Ltd. and Loral Licensing, Ltd. would arise in the Supreme Court of Bermuda. (Zahler Decl. ¶ 13.) Moreover, recovery of the $81.2 million in cash distributions would be difficult and involve additional expense, and thus assets available for distribution to creditors would be reduced. (*Id.* ¶ 14.) To order a reopening of the confirmation proceedings would thus clearly create an unmanageable situation for the Bankruptcy Court. Quite simply, too many transactions have taken place at this point to grant LSPC the relief it seeks. *See, e.g., In re Home Holdings, Inc.*, No. 98 Civ. 5690, 2001 WL 262750, at *6 (S.D.N.Y. Mar. 16, 2001) ("Like other substantially consummated complex reorganizations, [the] reorganization here affects numerous parties, including various classes of creditors and shareholders, and involves a multitude of complex transactions making tinkering with the Plan impracticable."); *In re E-II Holdings Inc.*, No. 94 Civ. 2246, 1995 WL 387650, at *5 (S.D.N.Y. June 30, 1995) (finding appeal moot when consummated transactions "included, among other things, over a billion dollars of transfers from the debtor to its creditors, the procurement of financing for the post-bankruptcy corporation, and the issuance of stock and other securities in the post-bankruptcy corporation"); *In re Ionosphere Clubs, Inc.*, 184 B.R. 648, 652 (S.D.N.Y. 1995) ("The appellants do not seek to modify a discrete aspect of the Plan that would

leave the remainder of the Plan intact. Rather, the appellants challenge the Plan in its entirety – they seek to undo sales of assets made both prior to and following the confirmation of the Plan."); *see also In re Fours On Seventh, LLC,* 251 B.R. 784, 794 (S.D.N.Y. 2000) ("[B]ecause mootness analysis focuses on the impact that reversal of a consummated plan would have on third parties, cases where appeals are found to be moot often involve a . . . [large] number of creditors and transactions.").

c. *The Parties Who Would Be Adversely Affected by Modification Have Not Had Notice of the Appeal and an Opportunity to Participate*

To overcome the presumption of mootness, *Chateaugay II* also requires that the parties who would be adversely affected by the modification have notice of the appeal and an opportunity to participate in the proceedings. 10 F.3d at 953. Here, those who would be adversely affected include the Reorganized Debtors' creditors, customers, vendors, and others who participated in and relied upon transactions approved in the Reorganization Plan and subsequently completed, and the further transactions taken in reliance thereon. There is no indication on the record nor even an assertion by LSPC that these parties have been notified of the appeal and been given an opportunity to participate in these proceedings. Thus, this factor also weighs toward a finding that LSPC's appeal is moot.

d. *LSPC Did Not Seek a Stay*

Under *Chateaugay II,* the appellant seeking to overcome the presumption that its appeal of a bankruptcy confirmation order is moot must have "pursued with diligence all available remedies to obtain a stay of execution of the objectionable order[,] if the failure to do so creates a situation rendering it inequitable to reverse the orders appealed from." 10 F.3d at 953 (citation and quotation omitted). LSPC concedes that it did not seek a stay, but wrongly asserts that there was "absolutely no requirement and absolutely no need to seek a stay of the Confirmation Order." (LSPC Opposition Br. at 5) In fact, seeking a stay is of the utmost importance to an appellant desiring to preserve an appeal of a confirmation order. *See Metromedia,* 416 F.3d at 144 (noting that whether the appellant sought a stay of confirmation is a "chief consideration" under *Chateaugay II*).The Second Circuit "insist[s] that a party seek a stay even if it may seem highly unlikely that the bankruptcy court will issue one." *Id.*; *see also Chateaugay I,* 988 F.2d at 326 ("The party who appeals without seeking to avail himself of that protection does so at his own risk."); *Texaco,* 92 B.R. at 46.[6]

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[6] The only evidence remotely suggesting that LSPC attempted to seek some form of expedited review is a September 14, 2005 letter to the Court from Phil Ivaldy, requesting an "emergency conference call" based on the concern that Loral "will run out of operating funds in October 2005 and because if this appeal proceeds as scheduled Loral will certainly oppose

(Continued on following page)

Where, as here, the appellant failed to seek a stay, the court will "consider additionally whether that failure renders relief inequitable." *Metromedia*, 416 F.3d at 144. The question "is not solely whether [the Court] *can* provide relief without unraveling the Plan, but also whether [the Court] *should* provide such relief in light of fairness concerns." *Id.* at 145.

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any and all appeals on the grounds that irreparable harm will be suffered by Loral Ltd." No such conference call took place, and no other requests for any expedited proceedings were received. LSPC does not argue that this letter was an attempt to seek a stay and concedes in its brief that it did not seek a stay. However, even if the Court were to construe LSPC's *pro se* pleadings liberally enough to consider this letter an attempt to stay the confirmation order or seek expedited review, the Court further finds that this single letter does not demonstrate that LSPC "pursued *with diligence all available remedies* to obtain a stay." *Chateaugay II*, 10 F.3d at 953 (citation and quotation omitted) (emphasis added). In this regard, the Court notes that a review of the docket for a previous appeal before Judge Patterson of a bankruptcy court order involving Loral and LSPC reveals that LSPC sought both a stay pending appeal and expedited review of the appeal. It did so first through a letter to Judge Patterson; then, in response to Judge Patterson's instructions that the motion must be served with a notice of motion and supporting memorandum of law, LSPC filed a motion seeking a stay or an expedited hearing, thus belying any suggestion that LSPC did not know of the procedures for seeking a stay. *See* Docket, *In re Loral Space & Communications Ltd.*, No. 04 Civ. 8645 (RPP) (S.D.N.Y.) (Docket No. 7 (Letter from Appellant, filed Nov. 16, 2004); Docket No. 34 (Endorsed, Letter, filed Nov. 22, 2004); Docket No. 6 (Motion for Stay, filed Nov. 23, 2004)). After the motion for a stay was denied, LSPC sought an expedited hearing, demonstrating more diligent pursuit of expedited review than in this case. *See id.* (Docket No. 10 (order setting expedited hearing schedule in response to letter from LSPC)).

Here, in the absence of a stay, countless transactions involving numerous parties and millions of dollars, as set forth above, have taken place in furtherance of and in reliance on the Reorganization Plan. Upsetting these intricate transactions and numerous reliance interests in the absence of an attempt to seek a stay would be inequitable. *See, e.g., Enron,* 326 B.R. at 504 (finding, when appellant did not seek stay, that it "would be manifestly inequitable at this late stage to modify even this one provision of the Plan that so many parties have relied upon in making various, potentially irrevocable, decisions"); *In re Sunbeam Corp.,* No. 03 Civ. 536, 2004 WL 136941, at *3 (S.D.N.Y. Jan. 27, 2004) (dismissing two *pro se* appeals of confirmation order when reorganization had been substantially consummated and one appellant mailed a motion to stay after the deadline to move for a stay had passed, while the other never requested a stay); *Texaco,* 92 B.R. at 46, 51, 54 (dismissing appeal after reorganization had been substantially consummated and appellants had not sought a stay). The relief sought by LSPC would create a situation of major uncertainty. LSPC, having not sought a stay, bears the burden of this uncertainty. *See Metromedia,* 416 F.3d at 145; *Chateaugay I,* 988 F.2d at 326.

3. The Strike Appeal Is Also Moot

Because the Court finds that LSPC's appeal of the Confirmation Order and Denial Order is moot, it also finds that the Strike Appeal should be dismissed as moot, as it concerns which documents should be

considered as part of the record on this appeal. Since the Court is dismissing this appeal as moot, there is no need to decide which documents should be part of the record on appeal.

III. ORDER

For the foregoing reasons, the Court finds that the appeal of Loral Stockholders Protective Committee ("LSPC") is moot. Accordingly, it is hereby

ORDERED that the motion [Docket No. 6] of appellees Loral Space & Communications Ltd. and its affiliated reorganized debtors and debtors in possession to dismiss LSPC's appeal of the Bankruptcy Court's August 1, 2005 orders confirming the Fourth Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code and denying the Official Committee of Equity Security Holders leave prosecute a fraudulent conveyance claim is GRANTED; and it is further

ORDERED that LSPC's appeal [Docket No. 1] of the Bankruptcy Court's August 1, 2005 orders is DISMISSED; and it is finally

ORDERED that LSPC's appeal [Docket No. 2] of the Bankruptcy Court's October 3, 2005 order striking certain items from the record on appeal is DISMISSED.

The Clerk of Court is directed to close this case.

SO ORDERED.

Dated: New York, New York
26 May 2006

/s/ Victor Marrero
Victor Marrero
U.S.D.J.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11
LORAL SPACE & COMMUNICATIONS LTD., *et al.*	LEAD CASE 03-41710(RDD) 03-41709(RDD) through 03-41728(RDD)
Debtors.	(Jointly Administered)

ORDER APPOINTING EXAMINER AND SPECIFYING EXAMINER'S DUTIES PURSUANT TO SECTIONS 1104(c)(2) AND 1106(b) OF THE BANKRUPTCY CODE

The District Court having reversed, by order dated December 17, 2004, that portion of this Court's September 2, 2004 order denying the motion of the Loral Stockholders Protective Committee (the "Ad Hoc Committee") for the appointment of an examiner under section 1104(c)(2) of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, and the District Court having remanded the matter to this Court to appoint a qualified independent examiner, it is hereby

ORDERED that pursuant to section 1104(c)(2) of the Bankruptcy Code, the United States Trustee shall promptly appoint an examiner (the "Examiner") in these jointly administered cases solely to conduct the investigation set forth herein and to prepare and transmit a statement under section 1106(b) of the Bankruptcy Code (incorporating section 1106(a)(4) of the Bankruptcy Code) as described herein, which

investigation the Court finds is appropriate under section 1104(c) of the Bankruptcy Code and consistent with the Court's understanding of the District Court's order; and it is further

ORDERED that the Examiner shall have expertise in valuing assets and businesses as a going concern, including assets and businesses similar to those of the above-captioned debtors and debtors in possession (the "Debtors"), including "space assets," as well as in the financial restructuring of such businesses; and it is further

ORDERED that the purpose of the Examiner's investigation shall be to determine whether the Debtors, including their professionals, have used customary and appropriate processes and procedures to value their assets and businesses for purposes of section 1129(b) of the Bankruptcy Code, or, on the contrary, have employed improper processes and procedures in order to arrive at a materially reduced valuation of their assets and businesses for purposes of section 1129(b) of the Bankruptcy Code; and it is further

ORDERED that in conducting the foregoing investigation the Examiner shall rely primarily on interviews of the Debtors' management and professionals (but also including of representatives of the Ad Hoc Committee) and review of their work product, supplemented, in the exercise of the Examiner's discretion, by confirmatory due diligence; provided that the Examiner shall not conduct his or her own

"full blown" valuation of the Debtors' assets and businesses; and it is further

ORDERED that the Examiner shall complete the foregoing investigation within thirty days of the Court's approval of the Examiner's appointment by the United States Trustee as contemplated by section 1104(d) of the Bankruptcy Code; and it is further

ORDERED that the Examiner shall produce a draft of the statement under section 1106(b) of the Bankruptcy Code within fourteen days of the completion of such investigation, stating whether the Examiner believes that the Debtors, including their professionals, have used customary and appropriate processes and procedures to value their assets and businesses for purposes of section 1129(b) of the Bankruptcy Code, or, on the contrary, have employed improper processes and procedures in order to arrive at a materially reduced valuation of their assets and businesses for purposes of section 1129(b) of the Bankruptcy Code, as well as such description of the Examiner's methods of conducting the investigation as the Examiner believes in the exercise of his or her discretion is appropriate; and it is further

ORDERED that the Examiner shall provide a copy of such statement on a confidential basis to the Debtors, counsel for the Official Creditors Committee and representatives of the Ad Hoc Committee for their review and comment, which comments, if any, the Examiner may accept or reject in whole or in part, and the Examiner shall in any event file the

final version of such statement within sixty days of the Court's approval of his or her appointment by the United States Trustee as contemplated under section 1104(d) of the Bankruptcy Code; provided that the Examiner shall conduct his or her investigation and prepare and file his or her report as promptly as reasonably practicable consistent with the foregoing two-week opportunity for review and comment; and it is further

ORDERED that the Examiner shall have a budget of $200,000 with which to conduct the investigation and prepare and file the statement, which amount shall be paid to the examiner by the Debtors' estates upon completion of the duties described herein, without the need for further Court order; and it is further

ORDERED that the Examiner may, but is not required to, retain professionals to assist in performing the duties described herein; provided that the Examiner's budget shall not be increased for such purpose; and it is further

ORDERED that no valuation materials, analyses, results or other material provided to the Examiner shall be used in any valuation contest, including, without limitation, in any hearing on confirmation of a chapter 11 plan in these cases, except as separately obtained by appropriate discovery under the Bankruptcy Rules; and it is further

ORDERED that no material or information prepared by the Examiner shall be subject to discovery or

used in any valuation contest, including, without limitation, in any hearing on confirmation of a chapter 11 plan in these cases.

Dated: New York, New York
December 20, 2004

/s/ Robert D. Drain
United States
Bankruptcy Judge

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
THURGOOD MARSHALL U.S. COURT HOUSE
40 FOLEY SQUARE, NEW YORK, N.Y. 10007

Catherine O'Hagan Wolfe
CLERK OF COURT

At a stated Term of the United States Court of Appeals for the Second Circuit, held at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, in the City of New York, on the 16th day of May two thousand eight.

Before: Hon. Barrington D. Parker,
Hon. Richard C. Wesley,

Circuit Judges.

Loral Stockholders Protective Committee, *et al.*,

Plaintiff-Appellants,

v.

Loral Space & Communications Ltd., *et al.*,

Debtors-Appellees.

ORDER
No. 06-3720-bk
(Filed May 16, 2008)

Peter Ivaldy having filed a petition for panel rehearing and the panel that determined the appeal having considered the request,

IT IS HEREBY ORDERED that the petition is denied.

For the Court:
Catherine O'Hagan Wolfe, Clerk

By: /s/ Frank Perez
Frank Perez, Deputy Clerk

[Proof Of Service That The U.S. District Court Clerk Refused To Acknowledge]

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Loral Space & Communications Ltd. Confirmation Hearing

Creditors' Committee
Closing Argument
(July 21, 2005)

Debtors' and Creditors' Experts Each Concluded Equity Is Out-of-the-Money

- Mr. Derrough and Mr. Robins, each highly experienced professionals, cogently testified that the Debtors' TEV is *far less* than the outstanding claims
- Each of their reports was comprehensive and based on sound methodologies
- They *personally* conducted extensive due diligence, including numerous meetings with Loral officials
- Each applied internally *consistent* approach throughout the case
- Using somewhat different methodologies, they reached substantially similar conclusions as to TEV

Recovery Waterfall Analysis

The Equity Interests Are Out-of-the-Money

($ in millions)	DERROUGH REPORT		ROBINS REPORT	
	Contract Rate	Federal Jdgmt. Rate	Contract Rate	Federal Jdgmt. Rate
DEBTORS' ENTERPRISE VALUE				
SS/L Value	$330.0	$330.0	$322.0	$322.0
FSS Value[2]	$416.3	$416.3	$402.0	$402.0
Other Assets	$129.0	$129.0	$99.0	$99.0
Total Debtors' Value	$875.2	$875.2	$823.0	$823.0
CONSOLIDATED CREDITORS' CLAIMS				
Ltd. Class 4 (excluding Orion Guaranty)	$445.1	$382.7	$445.1	$382.7
Orion Class 4	$889.6	$754.9	$889.6	$754.9
SpaceCom Class 4	$6.8	$6.2	$6.8	$6.2
SS/L Class 4	$107.6	$98.1	$107.6	$98.1
Total Creditors' Claims	$1,449.1	$1,242.0	$1,449.1	$1,242.0
NO VALUE AVAILABLE FOR EQUITY INTERESTS				
Total Value	**$875.2**	**$875.2**	**$823.0**	**$823.0**
Less: Total Creditors' Claims	**-$1,449.1**	**-$1,242.0**	**-$1,449.1**	**-$1,242.0**
Equals: Value in Excess of Creditors' Claims	**($573.9)**	**($366.8)**	**($626.1)**	**($419.0)**
Creditors' Recovery as a % of Total Creditors' Claims	60.4%	70.5%	56.8%	66.3%
Value Available for Equity Interests	$0.0	$0.0	$0.0	$0.0

(1) Based on the midpoint valuations from the Derrough Report and the Robins Report.

(2) Because Mr. Derrough values the Debtors on a legal entity basis, his figures represent value of the Orion entity.

(3) Estimates based on disclosure statement; the interest rate is calculated using either the federal judgment rate or the contract rates.

Mr. Belinsky's "Chinese Menu" Approach

➢ Mr. Belinsky *cherry-picked* Derrough's and Robins' valuation metrics and methodologies to inflate TEV

EXPERT VALUATION REPORT COMPARISON

EXPERT VALUATION REPORTS BY METHODOLOGY, METRICS & WEIGHTING

	CHANIN	GREENHILL	JEFFRIES
SS/L			
WEIGHTING:	- 100% DCF ↑	- 100% DCF	- 30% Comps/70% DCF
COMPS:	- N/A	- N/A	- 6.5x to 8.5x 2005 EBITDA multiple
TRANSACT:	- N/A	- N/A	- N/A
DCF:	- EBITDA Multiple for Terminal ↑ - 8.0x to 9.5x EBITDA multiple for Terminal Value ↑↑ - 11.0% to 13.0% WACC ↑↑	- Growth Rate for Terminal - 1.0% to 3.0% Growth rate for Terminal Value - 11.5% to 13.5% WACC	- EBITDA Multiple for Terminal - 7.5x to 9.5x EBITDA multiple for Terminal Value - 12.5% to 14.5% WACC
FSS			
WEIGHTING:	- 20% Comps/20% Transactions/60% DCF ↑↑	- 33% Comps/33% Transactions/33% DCF	- 30% Comps/30% Transactions/40% DCF
COMPS:	- 6.5x to 8.5x 2005 EBITDA multiple (50% weighting) ↑ - 6.0x to 8.0x 2006 EBITDA multiple (50% weighting)	- 6.5x to 8.5x 2005 EBITDA multiple (50% weighting) - 6.0x to 8.0x 2006 EBITDA multiple (50% weighting)	- 7.0x to 90.x 2005 EBITDA Multiple
TRANSACT:	- 6.5% to 7.5x EBITDA multiple ↑	- 6.5x to 7.5x EBITDA multiple	- 5.5x to 7.5x EBITDA multiple
DCF:	- EBITDA Multiple for Terminal - 6.5x to 8.5x EBITDA multiple for Terminal Value ↑↑ - 9.0% to 11.0% WACC ↑	- EBITDA Multiple for Terminal - 6.5x to 7.5x EBITDA multiple for Terminal Value - 9.0% to 11.0% WACC	- EBITDA Multiple for Terminal - 5.5x to 7.5x EBITDA multiple for Terminal Value - 10.0% to 12.0% WACC
XTAR			
WEIGHTING:	- 100% DCF	- 100% Dividend DCF	- 100% DCF
DCF:	- EBITDA Multiple for Terminal ↑ - 6.0x to 8.0x EBITDA multiple for Terminal Value ↑↑ - 10.0% to 13.0% WACC ↑↑	- No Multiple, discounts full 15-year project - 14.0% to 16.0% WACC (previously included lower WACC and pricing discount)	- EBITDA Multiple for Terminal - 5.0x to 7.0x EBITDA multiple for Terminal Value - 15.0% to 25.0% WACC

Note: Based on final Expert Reports.

Recovery Waterfall Analysis

The Equity Interests Are Out-of-the-Money In All 3 Valuation Reports

($ in millions)	DERROUGH REPORT		ROBINS REPORT		BELINSKY REPORT[1]	
	Contract Rate	Federal Jdgmt. Rate	Contract Rate	Federal Jdgmt. Rate	Contract Rate	Federal Jdgmt. Rate
DEBTORS' ENTERPRISE VALUE						
SS/L Value	$330.0	$330.0	$322.0	$322.0	$472.6	$472.6
FSS Value[2]	$416.3	$416.3	$402.0	$402.0	$579.7	$579.7
Other Assets	$129.0	$129.0	$99.0	$99.0	$87.9	$87.9
Total Debtors' Value	$875.2	$875.2	$823.0	$823.0	$1,140.2	$1,140.2
CONSOLIDATED CREDITORS' CLAIMS[3]						
Ltd. Class 4 (excluding Orion Guaranty)	$445.1	$382.7	$445.1	$382.7	$445.1	$382.7
Orion Class 4	$889.6	$754.9	$889.6	$754.9	$889.6	$754.9
SpaceCom Class 4	$6.8	$6.2	$6.8	$6.2	$6.8	$6.2
SS/L Class 4	$107.6	$98.1	$107.6	$98.1	$107.6	$98.1
Total Creditors' Claims	$1,449.1	$1,242.0	$1,449.1	$1,242.0	$1,449.1	$1,242.0
NO VALUE AVAILABLE FOR EQUITY INTERESTS						
Total Value	**$875.2**	**$875.2**	**$823.0**	**$823.0**	**$1,140.2**	**$1,140.2**
Less: Total Creditors' Claims	**-$1,449.1**	**-$1,242.0**	**-$1,449.1**	**-$1,242.0**	**-$1,449.1**	**-$1,242.0**
Equals: Value in Excess of Creditors' Claims	**($573.9)**	**($366.8)**	**($626.1)**	**($419.0)**	**($308.9)**	**($101.9)**
Creditors' Recovery as a % of Total Creditors' Claims	60.4%	70.5%	56.8%	66.3%	78.7%	91.8%
Value Available for Equity Interests	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

[1] With Mr. Belinsky's "Addendum," the total value midpoint would be $1,302.3.

[2] Based on the midpoint valuations from the Derrough Report, the Robins Report and the Belinsky Report.

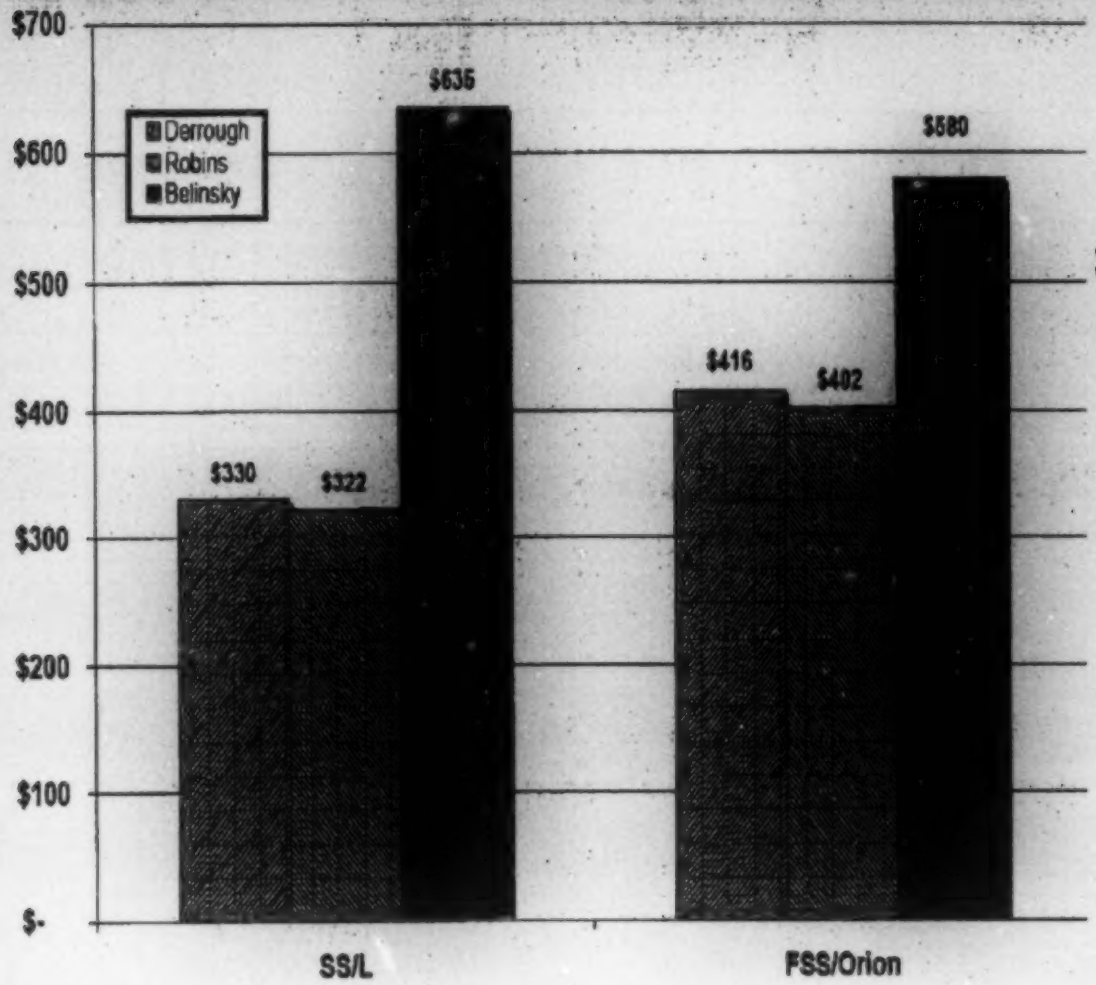
[3] Because Mr. Derrough values the Debtors on a legal entity basis, his figures represent value of the Orion entity.

[4] Estimates based on disclosure statement; the interest rate is calculated using either the federal judgment rate or the contract rates.

Mr. Belinsky's Search for More Value at SS/L

- ➢ Hypothetical "new" government awards
  - Last-minute "Addendum" not credible
  - *No* diligence whatsoever to support analysis
  - Contradicts *all* of the Debtors' executives' testimony
- ➢ Back-end loaded value for SS/L
  - Chose year (2008) with highest EBITDA
  - Artificially boosted further with baseless government awards
- ➢ DCF is 2008 Comp. Co. in disguise
  - Same comparables as Mr. Derrough
  - Yet *no* weighting on Comp. Co. analysis
  - Internally inconsistent
- ➢ Other hoped-for values:
  - Orbital slots—based solely on inadmissible Rusch analysis
  - Real estate—imagined deal for critical facilities
  - Patents—half of portfolio couldn't even be sold for $185k

One of These Valuations Is Not Like the Others . . .



App. 60

Fraudulent Conveyance Action: Last Ditch Effort

- Mr. Belinsky's efforts to inflate value was still not enough
- So the Equity Committee was forced to seek voidance of 2001 Ltd. *downstream* guaranty
- But even without the guaranty, there is no value for equity under both the Debtors' and Creditors' expert valuations

Recovery Waterfall Analysis

Even if the Ltd. Guaranty Is Voided, There Is Still No Equity Recovery

($ in millions)

	Contract Rate	Federal Judgment Rate
NON-ORION ENTERPRISE VALUE		
SS/L Value	$330.0	$330.0
Other Non-Orion Assets	$129.0	$129.0
Total Non-Orion Value [1]	**$459.0**	**$459.0**
NON-ORION CREDITORS' CLAIMS		
Ltd. Class 4 (excluding Orion Guaranty)	$445.1	$382.7
SpaceCom Class 4	$6.8	$6.2
SS/L Class 4	$107.6	$98.1
Total Non-Orion Creditors' Claims [2]	**$559.5**	**$487.1**
NO VALUE AVAILABLE FOR EQUITY INTERESTS		
Total Value	$459.0	$459.0
Less: Total Creditors' Claims	-$559.5	-$487.1
Equals: Value In Excess of Creditors' Claims	($100.52)	($28.15)
Creditors' Recovery as a % of Total Creditors' Claims	82.0%	94.2%
Value Available for Equity Interests	**$0.0**	**$0.0**

[1] Based on the midpoint valuations from the Derrough Expert Report.

[2] Estimates based on disclosure statement; the interest rate is calculated using either the federal judgment rate or the contract rates.

Equity Committee's Failure to Show Insolvency

➢ The Equity Committee did not present a shred of credible evidence that:

- Ltd. was insolvent in Dec. 2001 *as a result of* Exchange Offer, *and*
- Orion was insolvent before *and* after Exchange Offer

Reduction of Debt and Interest Expense of Orion

- The December 21, 2001 Exchange Offer ***enhanced*** the solvency and overall financial health of Loral Cyberstar, Inc. (Orion)

Principal Debt Amount *($ in millions)*	Sept. 30, 2001	Dec. 31, 2001	
10.0% senior notes due 2006	$ —	$ 613.0	
11.25% senior notes due 2007	443.0	37.0	
12.50% senior discount notes due 2007	484.0	49.0	
Note payable to Loral SpaceCom Corp.	79.7	29.7	
Other	11.6	10.2	
Total Debt	**$ 1,018.2**	**$ 738.9**	**$279.4 *REDUCTION***
Implied Annual Interest Expense[1]	**$ 110.3**	**$ 71.6**	**$ 38.8 *REDUCTION***

[1] Only includes the 10.0%, 11.25% and 12.50% Notes.

Mr. Belinsky's Own Analysis Shows Orion Is Solvent

Orion Solvency
(using corrected numbers—no longer hair-cutting actual figures)

Comp. Co. Value (1/3 weighting)	$	684
Comp. Acq. Value (1/3 weighting)		998
DCF Value (1/3 weighting)		636
Other Value		8
Total Orion Value	$	781
Total Orion Value	$	781
Less: Orion Debt		718
Orion Equity Value	**$**	**63**

Mr. Belinsky's Own Analysis Shows Ltd. Is Solvent

Ltd. Solvency
(using Mr. Belinsky's incorrect numbers)

SS/L	$	375
Other		1,017
Total Non-IOrion (Ltd.) Value	$	1,392
Total Debt	$	2,091
Less Orion Debt		718
Total Non-Orion (Ltd.) Debt	$	1,373
Non-Orion (Ltd.) Equity Value	**$**	**19**

Ltd. Solvency
(using corrected numbers – no longer hair-cutting actual figures)

SS/L	$ 375
Other	1,233
Total Non-Orion (Ltd.) Value	$ 1,608
Total Debt	$ 2,091
Less Orion Debt	718
Total Non-Orion (Ltd.) Debt	$ 1,373
Non-Orion (Ltd.) Equity Value	**$ 235**

Mr. Belinsky's
Rorschach Approach on Solvency

Balance sheet test:	➢ Never did a valuation of fair market values of Ltd. or Orion assets
Cash flow test:	➢ No evidence at all that Ltd. and Orion were unable to pay their debts as they came due
Unreasonably small capital test:	➢ Used liquidity ratios even though ratios not used in solvency opinions

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Mr. Belinsky's "Indicia" Actually Show Solvency	
Bond Prices	➢ Bond prices *increased* after Exchange Offer
Stock Price	➢ Stock price *increased* after Exchange Offer
Lack of solvency opinion	➢ Unaware of *any* instance where solvency opinion for downstream guaranty given
Historical losses	➢ Net income losses *irrelevant* to ability to pay debts
Analyst reports	➢ Analyst coverage of Exchange Offer was *overwhelmingly positive*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	: Chapter 11 Case Nos.
LORAL SPACE & COMMUNICATIONS LTD., *et al.*,	: LEAD CASE : 03-41710 (RDD) : 03-41709 (RDD) through : 03-41728 (RDD)
Reorganized Debtors.	: (Jointly Administered)

CLOSING REPORT IN CHAPTER 11 CASES

To the best of my knowledge and belief, the following is a breakdown in these cases:[1]

$ 14,776,664.75	FEES FOR ATTORNEY FOR DEBTORS
$ 50,316,951.25[2]	OTHER PROFESSIONAL FEES AND ALL EXPENSES
N/A	TRUSTEE FEE (if applicable)
N/A	FEE FOR ATTORNEY FOR TRUSTEE (if applicable)

[1] All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Debtors' Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Modified (the "Plan of Reorganization").

[2] For a breakdown of all fees and expenses paid to professionals in these cases, please see Exhibit 1 attached hereto.

STEPS TAKEN TO CONSUMMATE PLAN:

Yes	Initial distribution under the plan completed
*	Other:

Dated: May 1, 2008
New York, New York

/s/ Stephen Karotkin

Stephen Karotkin (SK 7357)
Lori R. Fife (LF 2839)
Shai Y. Waisman (SW 6854)
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

ATTORNEYS FOR DEBTORS
AND REORGANIZED DEBTORS

N/A	% DIVIDEND PAID / TO BE PAID
N/A	FUTURE DIVIDENDS (check if % of future dividend under plan not yet determinable)

Exhibit 1

Fees and Expenses Paid to Professionals

FIRM	ROLE	FEES AWARDED	EXPENSES AWARDED
Weil, Gotshal & Manges LLP	Attorneys for the Debtors	$14,776,665	$810,197
Akin Gump Strauss Hauer & Feld LLP	Attorneys for the Official Committee of Unsecured Creditors	$9,301,250	$563,802
Appleby Spurling Hunter	Special Bermuda Counsel for the Debtors	$171,705	$7,537
Bilzen Sumberg Baena Price & Axelrod LLP	Special Conflicts Counsel to Official Committee of Unsecured Creditors	$102,979	$3,939
Brown Rudnick Berlack Israels LLP	Attorneys for the Ad Hoc Trade Claims Committee (Application under § 503(b))	$0.00	$363,469

Carter Ledyard & Milburn LLP	Special Counsel to the Members of the Board of Directors of Loral Orion, Inc.	$146,423	$4,265
Chanin Capital Partners, LLC	Financial Advisors for the Official Committee of Equity Security Holders	$569,384	$62,203
Conway, Del Genio, Gries & Co., LLC	Financial Advisor for the Debtors	$3,601,291	$100,609
Deloitte & Touche LLP	Independent Auditors, Tax Service Providers, Accountants and Advisors for the Debtors	$9,961,565	$117,168
Jack Frohbieter, Futron Corporation and Larry P. Yermack	Consultants to the Official Committee of Unsecured Creditors	$144,598	$1,037

Greenhill & Co., LLC	Financial Advisor to the Debtors	$8,330,000	$63,638
Jefferies & Company, Inc.	Financial Advisors for the Official Committee of Unsecured Creditors	$7,489,524	$104,296
Pricewater-houseCoop-ers LLP	Accounting and Tax Consultants to the Debtors	$1,470,967	$0.00
Rosenblatt Solicitors	Special UK Employment Law Counsel for the Debtors	$106,108	$0.00
Sidley Austin Brown & Wood LLP	Special Customs Counsel for the Debtors	$148,727	$1,725
Sonnen-schein Nath & Rosenthal LLP	Attorneys for the Official Committee of Equity Security Holders	$1,575,232	$61,619

Wiley Rein & Fielding LLP	Attorneys for Official Committee of Equity Security Holders	$73,286	$258
Willkie Farr & Gallagher LLP	Special Counsel for the Debtors	$4,732,045	$126,105

May 25, 2005

BY EMAIL

Mr. Tony Christ
3311 Goldsboro Place
Falls Church, VA 22042

Mr. Charles Chalmers
20 Sunnyside Ave.
Suite A#199
Mill Valley, CA 94941

Mr. Phil Ivaldy
7091 Surfside Drive
Huntington Beach, CA 92648

Mr. John Plum
8 High Meadow Rd. North
Saddle River, NJ 07458

Re: **CONFIDENTIALITY AGREEMENT**
Loral Space & Communications Ltd., *et al.* (the "Debtors");
Chap. 11 Case Nos. 03-41709 (RDD) through 03-41728 (RDD)
(Bankr. S.D.N.Y. 2003) (Jointly Administered)

Gentlemen:

Reference is made to the above-captioned chapter 11 cases commenced by Loral Space & Communications Ltd. and its affiliated debtors as debtors and debtors in possession (collectively, the "Debtors"). We understand from Mr. Tony Christ that you are the individuals (hereinafter referred to as the "Recipients") designated by the ~~self-styled~~ Loral Stockholders Protective Committee to receive certain non-public, proprietary and confidential information (the "Confidential Information") produced by the Debtors and other parties, including but not limited to, the Official Committee of Unsecured Creditors and the Official Committee of Equity Security Holders, in connection with the hearing to consider confirmation

of the Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as may be amended, (the "Confirmation Hearing"). The Debtors are prepared to furnish Recipients with such Confidential Information, solely for the purpose of preparation for, and use in connection with, the Confirmation Hearing and on the terms and conditions set forth in this letter agreement (the "Agreement").

Confidential Information includes, without limitation, all information, data, reports, analyses, computations, statistics, compilations, records, notes, memoranda, summaries, trade secrets, private financial and proprietary information, and other documents and materials (whether prepared by the Debtors, their Representatives (as defined below) and or otherwise, and in whatever form maintained, whether documentary, computerized, or otherwise) that contain or otherwise reflect information not generally available to the public and provided by or on behalf of the Debtors and other parties producing documents, including but not limited to, the Official Committee of Unsecured Creditors and the Official Committee of Equity Security Holders (collective, the "Committees"), and shall include, without limitation and without any requirement to designate as Confidential Information, all discussions between the Debtors, the Committees and the Recipients.

* * *

CERTIFICATION

I, _____, affirm that I am a "U.S. person," as defined in 22 C.F.R. §120.15. I acknowledge that any defense articles and/or technical data/know-how relating to defense articles on the U.S. Munitions List to which I have access or which may be only disclosed to me at my request in the course of my review of the information provided by Loral Space & Communications Ltd. and its affiliated debtors (collectively "Loral"), Loral's advisors and/or Loral's attorneys is subject to export control under the International Traffic in Arms Regulations (Title 22, Code of Federal Regulations, Parts 120-130). I hereby certify that I will not, nor will I knowingly permit others to, disclose, export or transfer, in any manner, to any foreign person (individual, corporate, government or international organization) or any foreign country such defense articles and/or defense services/know-how without the prior written approval of the Directorate of Defense Trade Controls, U.S. Department of State."

Signature: _____

Date: _____

[FROM BRIEF FOR SE APPELLANT]

ARGUMENT IN CHIEF

The U.S. Bankruptcy Courts does not have the delegated authority to conduct non-core bankruptcy procedures such as discovery, exchange of a preliminary list of fact witnesses, depositions and a pretrial conference. See exhibit J. Appellant's incorporate the Appellant's Response Brief filed in the U.S. District Court on March 3, 2006 to be included in this appeal.

RELIEF SOUGHT

The appointment Harrison Goldin as the Court Appointed Examiner to conduct a full blown investigation of Debtors assets.

CONCLUSION

The appellants restate that they do not wish to disturb the events listed in the District Court Brief by either the Appellant or the Debtor.

Dated November 20, 2006.

/s/ Phil Ivaldy
American Shareholder Rights LLC
Phil Ivaldy, for the Loral Shareholders

UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT
THURGOOD MARSHALL U.S. COURTHOUSE
40 FOLEY SQUARE
NEW YORK 10007

Roseann B. MacKechnie
CLERK

Date:	8/17/06
Docket Number:	06-3720-bk
Short Title:	In Re: Loral Space & Communications Ltd. v.
DC Docket Number:	05-cv-7975
DC:	SDNY (NEW YORK CITY)
DC Judge:	Honorable Victor Marrero

PRO SE APPEAL SCHEDULING ORDER #1
MAKE ALL TELEPHONE INQUIRES TO
(212) 857-8529

(Filed Aug. 17, 2006)

Noting that *appellant* has filed a notice of appeal, *pro se*:

IT IS HEREBY ORDERED that the district court shall be responsible for filing the record on appeal on or before **N/A** _ _ _ _ _ _ _ _

* * *

By: /s/ Deborah Holmes
Deborah Holmes
Deputy Clerk, USCA

Dated: 8/17/2006

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----------x

In the Matter of

LORAL SPACE & COMMUNICATIONS LTD., et al.,

Debtors.

03-41710 (RDD)
03-41709 to
03-41728

----------x

July 25, 2005
3:00 p.m.

United States Custom House
One Bowling Green
New York, New York 10004

CONFIDENTIAL TRANSCRIPT

BENCH RULING in the Matter of Loral Space & Communications Ltd. and Space Systems/Loral, Inc.

BEFORE:

HON. ROBERT D. DRAIN,

U.S. Bankruptcy Judge.

* * *

[20] THE COURT: All right. Let me continue with my ruling on the request by Ltd. and its subsidiary debtors for confirmation of their joint Chapter 11 plan.

Based on my review of the plan and disclosure statement, several days of testimony, the briefs, and the exhibits, I find that the debtors have satisfied the requirements of Sections 1129(a) and (b) of the Bankruptcy Code, and that the plan should and will be confirmed.

I will discuss primarily those sections or elements of Sections 1129(a) and (b) as to which objections were raised, but I should note, before I get to those objections, that Loral has satisfied all of its burdens under 1129(a), including in respect of feasibility under Bankruptcy Code Section 1129(a)(11) and best interests under Bankruptcy Code 1129(a)(7), which were not objected to.

The primary objections to the plan go to the plan's proposed cramdown of the preferred and common shareholder classes, who would receive no recovery under the plan. In addition, there is an objection as to whether the plan is in good [21] faith, as required under Section 1129(a)(3) of the Bankruptcy Code.

Let me address the cramdown objections first. They hinge obviously on the assertion that Ltd., the parent and issuer of the preferred and common stock, is solvent, and that therefore the unsecured creditors of Ltd., and potentially creditors of the subsidiary debtors, as well, are receiving more than full recovery on their claims under the plan and thus that the plan improperly deprives the shareholders of their rightful recovery.

I conclude, based on my review of the expert reports and testimony of the three investment banking firms retained in the case, as well as the testimony of Mr. Schwartz and the arguments and exhibits raised and introduced by the informal Loral Stockholders Protective Committee, or "LSPC," that in fact Ltd. is insolvent. Let me summarize those findings first, and then I will go into some detail as to my reasons for them.

I base my conclusion primarily upon my review of the analyses done by the three experts: Greenhill, Jeffries and Chanin, retained [22] respectively by the debtors, the creditors' committee, and the official equity committee. Those experts employed traditional and well recognized methodologies for valuing companies of this kind. Each expert considered a going concern valuation of Ltd. based on its two core business segments, as well as other miscellaneous assets. Each expert considered whether to apply a discounted cash flow method, a comparable transaction method, and a comparable companies method, in placing a value on those assets together as a going concern. The first segment, if you will, of Ltd.'s value is SS/L. There, as a midpoint, minus the EBITDA attributable to its projection for government contracts, Chanin came to a value of approximately $275 million, Jeffries came to a value of approximately $202 million, and Greenhill came to a value of approximately $97 million.

In considering what would be a proper valuation of SS/L, I, of course, noted the large difference between Greenhill and the other two experts. That difference is largely attributable to Greenhill's method for ascertaining [23] the terminal value on a DCF basis of SS/L. Unlike the other two investment bankers, Mr. Robins of Greenhill applied a perpetual growth methodology to determine that terminal value. The equity committee pointed out potential flaws with that choice, including its assertion that the percentage of 1 to 3 percent applied by Greenhill in that methodology was too low. Frankly, I don't accept that it was too low as a matter of gauging inflation, given the last 25 years or so of inflation trends introduced into evidence. However, I did, in the end, rule out the Greenhill valuation for SS/L, because, to me, it appeared to be simply too low in comparison to the liquidation value of the company, and everyone's desire in this case is to keep SS/L in business.

Instead I focused on the valuations of SS/L prepared by Chanin and Jeffries. And basically on my review of those two valuations and the differences between them, I determined that a reasonable value for SS/L was 230 million dollars. The main difference between Chanin's and Jeffries' valuation of SS/L stemmed from the fact that Chanin, like Greenhill, weighted its valuation one [24] hundred percent on the discounted cash flow methodology, whereas, Jeffries gave 30 percent of its weighting to a comparable companies methodology. All of the investment bankers, by the way, determined that there were no

relevant comparable transactions upon which to do a valuation of SS/L, except for one that was somewhat dated and for which information was not particularly reliable, the Hughes/Boeing transaction.

Jeffries acknowledged that there was no clear comparable company to SS/L; however, I gave some weight to Mr. Derrough's testimony that based upon, first, the similarities between Orbital Sciences and SS/L, as well as his own and one of his colleague's experience with Orbital Sciences, its stock price could be used as a comparable measure for determining SS/L's value. Particularly since, according to Mr. Derrough, he gave SS/L a better multiple, notwithstanding Orbital Sciences' more steady, or regular, government business as its main source of revenue. I also discounted Chanin's evaluation of SS/L because so much of the value, in fact all of the value for the company, was placed [25] on the final projected year, 2008, to determine the DCF terminal value. While I accept that the projections underlying the current going concern valuations of the debtors are reasonable, I note that it is only in that last year that there is positive EBITDA for SS/L. And given the uncertainties of the contracts in this business and, for want of a better word, the lumpiness of its cash flow projections given the nature of that business in which very substantial contracts require very substantial outlays of expense, I thought that the Chanin midpoint valuation should be discounted accordingly.

The second segment, if you will, of Ltd. for valuation purposes is the FSS business. There, the three

investment bankers' valuations were much more comparable. Each investment banker recognized that each of the three traditional valuation methodologies could be applied. That is, there were comparable transactions as well as comparable companies with which to measure FSS's value, and, therefore, those two methodologies could be added to a DCF valuation. The mid ranges on FSS for Chanin, Greenhill and Jeffries were [26] $470.6 million, $392 million, and $442.3 million respectively. The main difference among the investment bankers with regard to their valuations was the weighting of the three methodologies. Chanin placed considerably more weight on the DCF valuation, weighting the other two at 20 percent each, with a DCF weighting 60 percent. Greenhill's valuation weighted each of the three methodologies equally, and Jeffries had a slight preference for the DCF valuation, going 30, 30 and 40 percent, with 40 percent being accorded to its DCF methodology.

I chose a valuation for FSS of $440 million, which is slightly over the average of all three. It seemed to me that this was justified for a couple of reasons. First, I did not accept Chanin's giving 60 percent of the weight to DCF, which it did, according to Mr. Belinsky, to reflect the growth in the business that is being projected. It seemed to me that this was somewhat skewing the value toward a more risky valuation. I did this also noting that Chanin nevertheless had a somewhat higher EBITDA multiple for its DCF valuation than either of the other two bankers.

[27] There are two other elements of the valuation. The first is a projection of available cash at confirmation, and here there was roughly a 70 million dollar swing between the experts. That was largely attributable to the view of Mr. Derrough and his colleagues at Jeffries that, given the nature of SS/L's business and its cash needs, it would need to retain a hundred million as opposed to 50 million dollars of cash to be comfortable about conducting that business. Chanin projected $180 million of cash for SS/L and FSS and other sources being available for creditors, Jeffries $117 million, and Greenhill $190.35 million. I saw some merit in Jeffries' argument about SS/L's cash needs, particularly given the testimony about the lumpiness of SS/L's cash flow, and therefore I chose an exit cash figure of 150 million dollars.

The parties dropped into a basked labeled "other asset" three main assets that they ascribed – or some of them ascribed – value to: Loral's interest in XTAR, unused orbital slots, and SS/L's and other debtors' interests in real estate, but primarily, if not exclusively, SS/L's [28] headquarters in Palo Alto, California. The spread between the experts here was fairly large. Chanin projected $217 million dollars of value in the other assets category, Jeffries $114 million, and Greenhill $143 million. The main differences were primarily in respect of unused orbital slots, which Chanin valued at a midpoint range of $50 million dollars, as compared to Jeffries' $5 million, and Greenhill's $13 million.

Frankly, based upon Loral's past history of being unable to sell unused orbital slots alone, as opposed to in connection with a satellite order, I was originally prepared to put zero dollars weight on this asset. However, Greenhill itself gives some value to them, and Mr. Christ introduced some basis for ascribing value to them, although indirectly connected to related satellite orders. I ascribed therefore 10 million dollars value to them in the end.

As to the XTAR interest, the spread is between $152 million, as valued by Chanin at its mid point, $108 million by Jeffries, and $130 million by Greenhill. The main difference with respect to the experts' valuation of this asset is [29] the percentage that they applied to the weighted average cost of capital used in their DCF valuation. Jeffries' low valuation of $108 million was attributable to a relatively high WACC, which is attributable, in turn, to its view that XTAR would likely be financed only through equity financing, and is still a risky and uncertain investment that has not fulfilled yet, or even come close to, its projections or potential occupancy. On the other hand Chanin chooses a WACC that treats it much more like any other proven satellite asset of FSS and financeable with debt. Greenhill is close to Chanin, but in the middle.

There was no particular reason given for Chanin's confidence in the XTAR asset, and its criticism of Jeffries was misplaced, in that it does appear that Jeffries revised its valuation upwards once XTAR went into service. In light of, however, the

aggressiveness of Jeffries' discount, I took Greenhill's DCF number and added to it a little bit, but not much, and came up with a total value of $135 million. Therefore, for the other assets generally, I ascribed a value of 150 million. This leads to a total enterprise value of [30] 970 million dollars for Ltd. as a going concern.

* * *

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11 Case Nos.
LORAL SPACE & COMMUNICATIONS LTD., *et al.*, Debtors.	:	LEAD CASE 03-41710 (RDD) 03-41709 (RDD) through 03-41728 (RDD) (Jointly Administered)

ORDER ESTABLISHING DISCOVERY PROTOCOLS AND SCHEDULE

WHEREAS, the Court has determined that it is in the best interests of all parties that discovery in connection with the hearing to consider confirmation (the "Confirmation Hearing") of the above Debtors' Third Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (hereinafter the "Plan") be conducted in an efficient and orderly manner; and

WHEREAS, the Confirmation Hearing is currently scheduled to commence on July 13, 2005;

NOW THEREFORE, THIS Court orders as follows:

1. This Order applies to any party in interest seeking discovery in connection with the Confirmation Hearing.

2. All dates set forth in this discovery schedule are subject to modification for good cause.

3. Any party seeking discovery in connection with the Confirmation Hearing must serve upon counsel for the party from whom discovery is sought (or upon any Party appearing *pro se*) any and all discovery requests (including but not limited to, notices of deposition of any witness[es] the party knows at the time it shall seek to depose . . . . . .

* * *

20. A pretrial conference with all parties shall be held by the Court on July ___, 2005 at 10 a.m., eastern daylight time.

Dated: May ___, 2005

Robert D. Drain
United States
Bankruptcy Judge

Biographical information: Dennis Jacobs

Dennis Jacobs is the Chief Judge of the United States Court of Appeals for the Second Circuit. He became Chief Judge on October 1, 2006. At the time of his appointment in 1992, he was a partner in the New York law firm of Simpson Thacher & Bartlett.

Judge Jacobs received his B.A. degree from Queens College of the City University of New York in 1964; his M.A. degree from New York University in 1965; and his J.D. degree from the New York University School of Law in 1973.

Judge Jacobs was a lecturer in the English Department of Queens College of the City University of New York from 1967 until 1969. He was in private practice from 1973 with the New York law firm of Simpson, Thacher & Bartlett, serving as a partner there from 1980 until his judicial appointment.

Since 1997, Judge Jacobs has been a member of the Committee on Judicial Resources of the Judicial Conference of the United States; since 1999, he has been chair of that committee.

Judge Jacobs is a native of New York City.

SIMPSON THACHER

BANKRUPTCY

The bankruptcy and creditors' rights practice of the Firm regularly represents major parties in some of the largest and most complex bankruptcies and

restructurings in the country and internationally. The lawyers in the practice have major case experience representing secured and unsecured lenders, DIP and exit facility lenders, debtors, official creditors' committees, equity holders, investors and acquirers. The Firm's lawyers play a leading role in finding solutions for the complicated and unique problems that often arise in large multi-party cases. They have broad experience in almost every industry – airline, automotive, cable and telecommunications, consumer products, energy, healthcare, manufacturing, real estate, retail, steel and textile, among others.

The bankruptcy and creditors' rights practice group has handled transactions on behalf of ABN Amro, Bear Stearns, The Blackstone Group, Citigroup, Credit Suisse First Boston, Deutsche Bank, Evercore Partners, Goldman Sachs, JPMorgan Chase, Lehman Brothers, Perry Capital, The Quadrangle Group, TD Securities and Wachovia Securities. We have also served a variety of senior lenders in project finance workouts in the United Stats and abroad, including Banque Paribas, Toronto Dominion, Lehman Brothers, Dresdner Bank 2nd, Union Bank and LTCB.

Barrington D. Parker is a United States Circuit Judge of the U.S. Court of Appeals for the Second Circuit. At the time of his appointment in 2001, Judge Parker was a United States District Judge for the Southern District of New York.

Judge Parker received his B.A. degree from Yale College in 1965 and his LL.B. degree from Yale Law School in 1969.

Judge Parker was law clerk to Judge Aubrey Robinson of the United States District Court for the District of Columbia from 1969 to 1970. He then went into private law practice in New York in 1970, serving first at Sullivan & Cromwell until 1977, then as a partner at Parker, Auspitz, Neesemann & Delehanty, P.C. from 1977 to 1987, then as a partner at Morrison & Foerster from 1987 until his appointment in 1994 as a United States District Court Judge for the Southern District of New York.

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The Morrison & Foerster Bankruptcy and Restructuring Group is committed to developing and executing creative and effective solutions for its clients. We

have expertise in a wide array of complex bankruptcy, insolvency, finance and restructuring matters, and represent a diverse group of domestic and international interests. Our clients include money-center banks, investment banks, private equity and hedge fund institutions, committees, operating companies, governmental entities, insurers and reinsurers.

Biographical information: Debra Ann Livingston

Judge Livingston was appointed United States Circuit Judge for the Second Circuit on May 17, 2007 and entered on duty June 1, 2007. Prior to her appointment she was the Paul J. Kellner Professor of Law at Columbia Law School, where she also served as Vice Dean from 2005 to 2006. Judge Livingston joined the Columbia faculty in 1994. She continues to serve as a member of that faculty as the Paul J. Kellner Professor.

Judge Livingston received her B.A., *magna cum laude*, in 1980 from Princeton University, where she was elected to Phi Beta Kappa. She received her J.D., *magna cum laude*, in 1984 from Harvard Law School, where she was an editor on the *Harvard Law Review*. Following law school, she served as a law clerk to Judge J. Edward Lumbard of the United States Court of Appeals for the Second Circuit.

Judge Livingston was an Assistant United States Attorney in the Southern District of New York from 1986 to 1991 and she served as a Deputy Chief of Appeals in the Criminal Division from 1990 to 1991. She was an associate with the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison from 1985 to 1986 and again from 1991 to 1992, when she elected to pursue an academic career. Judge Livingston was a member of the University of Michigan's Law School faculty from 1992 until 1994.

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Practice: Bankruptcy & Corporate Reorganization

Paul, Weiss offers full-service bankruptcy and reorganization capabilities that clients call upon to resolve their most complex restructuring and insolvency situations. These matters often require the development of novel solutions by our experienced team.

We believe that a diverse and comprehensive bankruptcy practice greatly enhances our ability to represent clients effectively and creatively. Therefore, the Paul, Weiss Bankruptcy Department represents debtors, official and unofficial committees of creditors and shareholders, secured and unsecured creditors, and shareholders in chapter 11 cases, corporate reorganizations and workouts, non-bankruptcy insolvency proceedings, and other matters involving litigation or transactional advice relating to financially distressed companies. We also have extensive experience representing purchasers of the assets, debt and securities of distressed companies. Finally, we have wide experience in transnational and cross-border insolvency matters.

Judge Robert D. Drain

Profile

Robert Drain is a United States Bankruptcy Judge for the Southern District of New York.

Judge Drain earned his B.A. degree cum laude from Yale University in 1979 and his J.D. degree in 1984 from Columbia University School of Law, where he was a Harlan Fiske Stone Scholar for three years.

At the time of his judicial appointment in 2002 he was a partner in the New York law firm of Paul, Weiss, Rifkind, Wharton and Garrison. Judge Drain has practiced bankruptcy law from the beginning of his career, first with the New York firm of Milbank, Tweed, Hadley & McCloy and then at Paul, Weiss, where, in Chapter 11 cases, restructurings and litigation, he represented debtors, trustees, creditors, creditors' committees, and buyers of distressed businesses. He was active in transnational insolvency matters and in the area of bankruptcy acquisitions.

Judge Drain is a member of the American Bankruptcy Institute and the Association of the Bar of the City of New York, where he was a past secretary of its Committee on Bankruptcy and Corporate Reorganization, the National conference of Bankruptcy Judges, and the International Insolvency Institute.

CLERKSHIPS:

James M. Millerman,	Clerkship for Hon. Robert D. Drain, U.S. Bankruptcy Court, Southern District of New York. Currently has an associate position at Paul Weiss. E-mail: jmillerman@paulweiss.com Phone: 212-492-0194
Cleo F. Green,	Clerkship for Hon. Robert D. Drain, U.S. Bankruptcy Court, Southern District of New York. Currently has a staff position Akin Gump Strauss Hauer & Feld E-mail: cgreen@akingump.com Phone: 212-872-8116
John W. Lucas	Clerkship for Hon. Robert D. Drain, U.S. Bankruptcy Court, Southern District of New York. Currently has an associate position at Weil Gotshal E-mail: john.lucas@weil.com Phone: 212-310-8007

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INTERNATIONAL INSOLVENCY

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Friday, October 28, 2005 • 9:00 a.m. - 1:00 p.m.

If you advise companies doing business abroad or foreign companies doing business here, then you will want to get the latest information on how cross-border bankruptcies can impact your clients.

Our distinguished panel members will discuss:

- How multinational companies and foreign debtors are using the US Bankruptcy Code to preserve businesses and the potential impact of Chapter 15
- Recent bankruptcy law developments in major financial centers around the world
- Case studies of the most interesting cross-border case
- The new UNCITRAL Model Bankruptcy Law Guidelines and the emerging markets in which they would make the most impact
- The E C Insolvency Regulation and the Concept of "Centre of Main Interests" (COMI)

PROGRAM CHAIR

Karen Ostad
Lovells

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Willkie Farr &
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Court, S.D.N.Y.

Honorable Allan L. Gropper
U.S. Bankruptcy
Court, S.D.N.Y.

Detlef G. Hass
Lovells

Peter Spratt
Managing Director
PricewaterhouseCoopers
Global Restructuring
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9:00 - 9:05	**INTRODUCTION** Karen Ostad
9:05 - 9:55	**HOW MULTINATIONAL COMPANIES & FOREIGN DEBTORS ARE USING THE U.S. BANKRUPTCY CODE TO ATTEMPT TO PRESERVE THEIR BUSINESSES & THE POTENTIAL IMPACT OF CHAPTER 15** Moderator: Marc R. Abrams Speakers: Honorable Robert D. Drain & Honorable Allan L. Gropper
9:55 - 10:45	**THE NEW UNCITRAL LEGISLATIVE GUIDE ON INSOLVENCY LAW & THE EMERGING MARKETS IN WHICH THEY WOULD MAKE THE MOST IMPACT** Moderator: Alan W. Kornberg Speakers: Professor Susan Block-Lieb & Jenny Clift
10:45 - 10:50	**BREAK**
10:50 - 11:45	**EUROPEAN BANKRUPTCY LAW DEVELOPMENTS, THE E C INSOLVENCY LAW REGULATION & THE FINANCIAL IMPACT OF JURISDICTIONAL CHOICES** Giles D. Boothman, Detlef G. Hass & Peter Spratt
11:45 - 12:40	**A CROSS-BORDER BANKRUPTCY CASE STUDY** Moderator: Karen Ostad Speakers: Giles D. Boothman, Honorable Allan L. Gropper, Detlef G. Hass & Peter Spratt
12:40 - 1:00	**QUESTIONS & ANSWERS**

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8th Annual New York City Bankruptcy Conference

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Conference Chairs' Welcome

Lisa J. Donahue, Co-chair
AlixPartners LLC

Michael Luskin, Co-Chair
Luskin, Stern & Eisler LLP

Hon. Robert Gerber,
Judicial Chair
U.S. Bankruptcy Court SDNY

Bankruptcy Reform One Year Later: What's New in New York Courts under BA PCPA and Other Developments?

Deirdre A. Martini,
Moderator
U.S. Trustee Region 2

Hon. Stan Bernstein
U.S. Bankruptcy Court EDNY

Hon. Carl L. Bucki
U.S. Bankruptcy Court WDNY

Hon. Carla E. Craig
U.S. Bankruptcy Court EDNY

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Hon. Cecelia G. Morris
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Hon. Dorothy Eisenberg
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Hon. James M. Peck
U.S. Bankruptcy Court
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Hon. Elizabeth Stong
U.S. Bankruptcy Court
EDNY

Substantive Consolidation Update: Is the Doctrine Alive and Well after *Owens Corning*?

My Chi To, Moderator
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David H. Botter
Akin Gump Strauss Hauer & Feld LLP

Hon. Raymond T. Lyons
U.S. Bankruptcy Court, NJ
Trenton, NJ

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Sanford P. Rosen & Associates, PC

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Management and Bankruptcy Reform

Matthew A. Feldman, Moderator
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Medford OR 97501

Phone: 541.858.1665

THURSDAY MORNING – FeB. 8, 2007

Presiding Officer:
Evelyn H. Biery, *Fulbright & Jaworski L.L.P., Houston, TX*

7:30 a.m. Registration Opens – Includes continental breakfast.

8:15 a.m. Welcoming Remarks

8:30 a.m. From Board Room to Courtroom: Legal Liability of Management, Directors and Experts for Faulty (Negligent) Valuations

Moderator:

Marcia L. Goldstein, *Weil, Gotshal & Manges LLP, New York, NY*

Timothy Finley, *Mesirow Financial Consulting, LLC, Chicago, IL*

Hon. Robert E. Gerber, *U.S. Bankruptcy Court for the Southern District of New York, New York, NY*

Tracy Gopal, *Giuliani Capital Advisors LLC, Atlanta, GA*

Richard G. Mason, Wachtell, *Lipton, Rosen & Katz, New York, NY*

10:00 a.m. Break

10:15 a.m. Valuation Case Law Update

10:45 a.m. Valuation Theories in Court: The Practitioner's View

11:15 a.m. Judges Panel: Admissibility of Valuation Testimony and Weight of Testimony

Moderator:

Thomas J. Allison, *Mesirow Financial Consulting, LLC, Chicago, IL*

Hon. Charles G. Case II, *U.S. Bankruptcy Court for the District of Arizona, Phoenix, AZ*

Hon. Robert D. Drain, *U.S. Bankruptcy Court for the Southern District of New York, New York, NY*

Hon. Gregg W. Zive, *U.S. Bankruptcy Court for the District of Nevada, Reno, NV*

Frank Merola, *Stutman Treister & Glatt, Los Angeles, CA*

HEDGE FUNDS, CREDITOR CONTROL, AND RESTRUCTURING

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Transactional Studies Program

FRIDAY, OCTOBER 27, 2006

12:00 p.m. – 1:30 p.m. ***Welcome and Lunch***
Columbia Faculty Club, Harrison Room (2nd Floor)

Address by Harvey R. Miller, Greenhill & Co.

1:45 p.m. – 3:45 p.m. ***Presentations and Comments***
Jerome Greene Hall, Room 105

1:45 p.m. – 2:45 p.m. ***Financial Contracts and the Bankruptcy Code: Safe Harbors with Broad Scope and Uncertain Justification***
Presentation by Edward Morrison, Columbia Law School (15 minutes)
Comments by Hal Novikoff, Wachtell, Lipton, Rosen & Katz (10 minutes)
Questions and answers (35 minutes)

2:45 p.m. – 3:45 p.m. ***Are Historically Based Default and Recovery Models in the High-Yield and Distressed Debt Markets Still Relevant in Today's Credit Environment?***
Presentation by Edward I.

Altman, Stern School of Business, New York University (15 minutes)
Comments by Hydee Feldstein, Sullivan & Cromwell (10 minutes)
Questions and Answers (35 minutes)

3:45 p.m. – 4:00 p.m. ***Coffee Break***

4:00 p.m. – 5:45 p.m. ***Panel Discussion: Hedge Funds and the Reorganization Process***
Jerome Greene Hall, Room 105

Moderator: Stephen Case, Cohen & Co. (7 minutes)

Speakers: Stephen Cooper, Kroll Zolfo Cooper (7 minutes each)
Lisa Donahue, AlixPartners
Hon. Robert Drain, U.S. Bankruptcy Court, SDNY
Stuart Gilson, Harvard Business School
Marcia Goldstein, Weil, Gotshal & Manges
David Tepper, Appaloosa Management

Frederic Ragucci,
Schulte Roth and
Zabel

Questions and Answers
(45 minutes)

5:45 p.m. – 6:45 p.m. ***Reception***

Columbia Faculty Club, Harrison
Room (2nd Floor)

Hedge Funds, Creditor Control, and Restructuring

Speaker and Panelist Biographies

Edward I. Altman

Edward Altman is the Max L. Heine Professor of Finance at the Stern School of Business, New York University, and Director of the Credit and Fixed Income Research Program at the New York University Salomon Center. Dr. Altman has an international reputation as an expert on corporate bankruptcy, high yield bonds, distressed debt and credit risk analysis. He was named Laureate 1984 by the *Hautes Etudes Commerciales Foundation* in Paris for his accumulated works on corporate distress prediction models and procedures for firm financial rehabilitation and awarded the Graham & Dodd Scroll for 1985 by the *Financial Analysts Federation* for his work on Default Rates and High Yield Corporate Debt. He was inducted into the Fixed Income Analysts Society Hall of Fame in 2001 and elected President of the Financial

Management Association (2003) and a Fellow of the FMA in 2004.

Stephen H. Case

Stephen Case is Managing Director of Cohen & Company, LLC, and has worked with the founder of Cohen & Company since 1989. Previously, he was a senior partner at Davis Polk & Wardwell, which he joined in 1968 and became a partner in 1975, and where he specialized in complex corporate situations, restructuring, bankruptcy, mergers and acquisitions and bank loans. Mr. Case holds an L.L.B. from Columbia Law School, *cum laude*, and a B.A. from Columbia College. Mr. Case is a member of the Board of Trustees of Columbia University and New York Presbyterian Hospital, and serves on the board of Memphis Biofuels LLC.

Stephen F. Cooper

Stephen Cooper is chairman of Kroll Zolfo Cooper and Kroll's Corporate Advisory and Restructuring Group, having assumed both positions in 2002 when Kroll acquired Zolfo Cooper, the corporate recovery and crisis management firm that he co-founded in 1985. With more than 30 years of experience as a financial advisor, Mr. Cooper is a sought-after interim executive for companies in trouble, and his appointments include executive chairman of Blue Bird, chairman of the board of Collins & Aikman, CEO of Krispy Kreme

Doughnuts (2005) and CEO and CRO of Enron (2002-2005). Previously, Mr. Cooper was a financial consulting partner of Touche Ross (now Deloitte & Touche), where he was also a founding partner of that firm's reorganization advisory services group. He holds a B.A. from Occidental College and an M.B.A. from the University of Pennsylvania's Wharton School.

Lisa Donahue

Lisa Donahue co-heads the Turnaround and Restructuring practice at AlixPartners, LLC, and specializes in financial and operational reorganizations. Some of the roles she has had include CEO of New World Pasta. CRO and CFO of Exide Technologies and CFO of Umbro International, Inc. She is currently serving as crisis manager and restructuring advisor to Calpine Corporation, North America's leading geothermal power producer, and some of her industry experience includes manufacturing, distribution, professional services, apparel, retail and automotive industries. She is also a board member of InMotion Inc, a New York based non-profit organization that provides assistance to victims of domestic abuse.

Hon. Robert D. Drain

Robert Drain is a United States Bankruptcy Judge for the Southern District of New York. Judge Drain received his B.A. degree *cum laude* and with honors from Yale University in 1979 and his J.D. degree in 1984 from Columbia Law School, where he was a

Harlan Fiske Stone Scholar for three years. At the time of his appointment in 2002, he was a partner in the Bankruptcy Department of the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Judge Drain is a member of the American Bankruptcy Institute, the National Conference of Bankruptcy Judges, the International Insolvency Institute and the Committee on Bankruptcy and Corporate Reorganization of the New York City Bar Association.

Hydee R. Feldstein

Hydee Feldstein is Counsel in the Los Angeles office of Sullivan & Cromwell LLP, where her areas of practice include banking, bankruptcy and creditor's rights and corporate governance. She received her B.A. from Swarthmore College in 1979 and her J.D. from Columbia Law School in 1982, where she was a member of the Columbia Law Review. Previously she was a partner at Paul Hastings and was a founding principal of Chrysalis Management Group, LLC. She has over 20 years of experience and expertise in leveraged lending in insolvency-related financings and has been the lead counsel to the lenders in hundreds of high-profile leveraged lending and workout transactions and is a frequent lecturer in these areas.

Stuart C. Gilson

Stuart Gilson is the Steven R. Fenster Professor of Business Administration at Harvard Business School. His current research focuses on techniques for valuing

bankrupt and distressed companies, and on strategies for investing in distressed company securities. He teaches on corporate bankruptcy and business valuation in Harvard's MBA and executive programs. He is the author of the book *Creating Value through Corporate Restructuring: Case Studies in Bankruptcies, Buyouts and Breakups* (John-Wiley & Sons).

Marcia L. Goldstein

Marcia Goldstein is co-chair of the Business Finance & Restructuring department and a managing partner of Weil, Gotshal & Manges, where she has practiced for nearly 30 years. Her practice covers all aspects of domestic and international debt restructurings as well as crisis management and corporate governance. Ms. Goldstein has been recognized in numerous publications and guides to be one of the "best lawyers" in the restructuring and bankruptcy area and was featured in *American Lawyer* as "Dealmaker of The Year" for her work for MCI, Inc. and was ranked in the top tier for bankruptcy by Chambers *Global 2006 The World's Leading Lawyers for Business*. Ms. Goldstein is on the Advisory Board of Colliers Bankruptcy, 15th Ed. and has been visiting lecturer in bankruptcy at Yale Law School.

Harvey R. Miller

Harvey R. Miller is a Managing Director and Vice Chairman in Greenhill & Co., LLC. Prior to joining Greenhill he was a senior partner in the law firm of

Weil, Gotshal & Manges, LLP where he served as a member of the Firm's Management Committee for over 25 years and created and developed the Firm's Business Finance & Restructuring Department specializing in reorganizing distressed business entities. Mr. Miller also holds the following positions: Adjunct Professor of Law, New York University School of Law; Lecturer-in-Law, Columbia Law School; Emeritus Member, Columbia Law School Board of Visitors; Member, Columbia Law School Dean's Council; Member, National Bankruptcy Conference; Fellow American College of Bankruptcy; Fellow, American Bar Foundation; Trustee, Committee on Economic Development; and Advisor, Business Bankruptcy Committee of the American Bar Association Section of Business Law. Mr. Miller received his A.B. degree from Brooklyn College in 1954 and an L.L.B. degree in 1959 from Columbia University.

Edward R. Morrison

Edward Morrison is an Associate Professor of Law and the Milton Handler Fellow at Columbia Law School. He received his B.S. *summa cum laude* and with honors from the University of Utah in 1994 and his M.A. economics in 1997, J.D. in 2000 and Ph.D. in 2003 from the University of Chicago. He was law clerk to Judge Richard A. Posner, U.S. Court of Appeals for the Seventh Circuit from 2000 to 2001 and law clerk to Justice Antonin Scalia, Supreme Court of the United States from 2001 to 2002. His research interests include bankruptcy and corporate

reorganization, entrepreneurship and small business finance, financial derivatives and empirical law and economics and he currently teaches courses and seminars on contracts, bankruptcy law, corporate reorganization and law and economics.

Harold S. Novikoff

Harold Novikoff is chair of the Restructuring and Finance Group at Wachtell, Lipton, Rosen & Katz. Mr. Novikoff has more than 30 years of experience representing the principal lenders, bondholders and underwriters in Chapter 11 cases and out-of-court debt restructurings of a wide range of public and private companies; purchasers of and investors in major financially-distressed companies; and major dealers and other market participants in connection with derivatives, repurchase agreements, securities loans and other financial market transactions. He is a co-author of *Collier on Bankruptcy*, and an author of numerous published articles and outlines on bankruptcy-related topics. He is a recent chair of the Committee on Bankruptcy and Corporate Reorganization of the Association of the Bar of the City of New York, a member of the Executive Committee of the National Bankruptcy Conference (and co-chair of the conference's chapter 11 and capital markets committees), a fellow of the American College of Bankruptcy, a Director of the Association of Commercial Finance Attorneys, Inc. and a member of the Bankruptcy Committee of the New York State Bar Association.

Frederic L. Ragucci

Frederic Ragucci is the head of the finance department at Schulte Roth & Zabel LLP and he regularly represents hedge fund clients in lending transactions. His practice primarily involves the representation of lenders in asset-based financings, acquisition financings, debtor in possession financings, subordinated debt financings, mezzanine financings, private placements and public offerings of debt securities, structured financings, restructurings and workouts. Mr. Ragucci has extensive experience negotiating intercreditor arrangements, including inter lender arrangements between working capital lenders and last-out or second lien term lenders. Mr. Ragucci received a B.S. degree in accounting from The Pennsylvania State University and a J.D., *cum laude*, from Duquesne University School of Law.

David Tepper

David Tepper is president and founder of Appaloosa Management, a multi-billion dollar hedge fund investment firm, and has earned an international reputation for producing some of the highest returns amongst fund managers on Wall Street. Mr. Tepper received his B.A. in Economics with honors in 1978 from University of Pittsburgh and his M.B.A. from Carnegie Mellon University's Business School in 1982. Prior to starting Appaloosa Management, Mr. Tepper worked as the head trader on the high-yield desk at Goldman Sachs, where his primary focus was

bankruptcies and special situations. Mr. Tepper currently serves as a member of the Business Board of Advisors for the Tepper School of Business at Carnegie Mellon and serves on various boards and committees for charitable and community organizations in New York and New Jersey.

International Solvency Institute

Seventh Annual International Insolvency Conference

Agenda

Monday, June 11, 2007

Special Keynote Speaker:
Harvey R. Miller, Weil, Gotshal & Manges LLP, New York
Keynote Address: *Chapter 11 in Transition – From Boom to Bust and Into the Future*

9:00 – 10:00	*Harvey Miller has had an enormous presence in domestic and international restructurings and insolvencies. Mr. Miller has been one of the United States' most influential bankruptcy practitioners for many years. His career includes highly distinguished service in all aspects of the bankruptcy area including, most recently, as a high profile investment banker. Harvey recently returned "home" to Weil Gotshal & Manges in New York.*
10:00 – 10:20	**Refreshment Break**
10:20 – 11:20	**"Hedge Funds – The New Masters of the Bankruptcy Universe. Live With It"** **Panel Chair:** Robert J. Rosenberg, Latham & Watkins, New York

Speakers:	Robert N. Dangremond, Alix Partners, New York Guy Locke, Walkers, Grand Cayman
	Isaac M. Pachulski, Stutman, Treister & Glatt, Los Angeles
	Professor Steven L. Schwarcz, Duke University School of Law, Durham, N.C.
11:20 – 12:30	**Co-ordination of Complex International Restructurings** (Presented by the Committee on Court Communications) **Panel Chair:** Nick Segal, Freshfields Bruckhaus Deringer, London
Speakers:	Hon. Charles G. Case II, United States Bankruptcy Court, Phoenix Chief Justice Donald I. Brenner, Supreme Court of British Columbia, Vancouver
	Hon. Brigitte Petiet, Nanterre Commercial Court, Paris
	Mr. Justice Sir Gavin Lightman, High Court of Chancery, London
	Hon. Robert D. Drain, United States Bankruptcy Court for the Southern District of New York, New York
12:30 – 2:00	**LUNCH:** Buffet Lunch for Registered Delegates at Fordham
2:00 – 2:50	**Pan Pacific Insolvency Developments** (Presented by the Committee on Asian Developments)

Co-Chairs: Hideyuki Sakai, Bingham McCutchen Murase, Sakai & Mimura, Tokyo and George M. Kelakos, Kelakos Advisors LLC, Greenwich

Speakers: Arnold M. Quittner, Peitzman Weg & Kempinsky LLP, Los Angeles

Professor Jingxia (Josei) Shi, Law School, China University of International Business & Economics, Beijing

Sandy Schick, Duane Morris LLP, Singapore

Bharat Upreti, Pioneer Law Associates, Kathmandu, Nepal

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Jefferies, a global investment bank and institutional securities firm, has served growing and mid-sized companies and their investors for 45 years. Headquartered in New York, with more than 25 offices around the world, Jefferies provides clients with capital markets and financial advisory services, institutional brokerage, securities research and asset management. The firm is a leading provider of trade execution in equity, high yield, convertible and international securities for institutional investors and high net worth individuals. Jefferies & Company, Inc. is the principal operating subsidiary of Jefferies Group, Inc. (NYSE: JEF; www.jefferies.com). Jefferies' Recapitalization & restructuring Group offers clients a unique service: the focused, unbiased advice and senior level attention of a boutique firm backed by the real-time market insight, capital access and resources of a global full-service investment bank.

AMENDMENT NO. 2
FORM T-3

FOR APPLICATIONS FOR QUALIFICATION OF INDENTURES UNDER THE TRUST INDENTURE ACT OF 1939

Walter Industries, Inc.
(Name of applicant)

1500 North Dale Mabry Highway
Tampa, Florida 33607
(Address of Principal Executive Offices)

SECURITIES TO BE ISSUED UNDER THE INDENTURE TO BE QUALIFIED

TITLE OF CLASS	AMOUNT
Senior Notes Due 2000 (Series B, Series B-1)	$490,000,000

Dated: New York, New York
March 1, 1995

OFFICIAL BONDHOLDERS COMMITTEE OF HILLSBOROUGH HOLDINGS CORPORATIONS, ET AL.

BY:

Daniel H. Golden, Esq.

OFFICIAL COMMITTEE OF GENERAL UNSECURED CREDITORS OF HILLSBOROUGH HOLDINGS CORPORATION, ET AL.

BY:

Marc S. Kirschner, Esq.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

BY:

Robert Drain
1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3236

For Lehman Brothers, Inc.

BY:

Steven M. Pesner, P.C.
Ellen R. Werther
65 East 55th Street, 33rd Floor
New York, New York 10022
(212) 872-1010

For Apollo

MARCUS MONTGOMERY WOLFSON P.C.

BY:

Peter Wolfson
Sara Chenetz
53 Wall Street
New York, New York 10005
(212) 858-5200

For Ad Hoc Committee of Pre-LBO Bondholders

[LOGO] **AMERICAN BANKRUPTCY INSTITUTE**
The Essential Resource for Today's Busy Insolvency Professional

Meetings & Events

Conference Educational Materials – 2008

Annual Spring Meeting

The Bankruptcy Sale Process Part I: The "Pre-Auction," Bidding Procedures, Break-up and Topping Fees and Expense Reimbursement; Part II: Conducting the Auction, Post-Auction Challenges and Bids, and the Sale Confirmation Hearing and Order – ***Part I: Jonathan P. Friedland; Roberta A. DeAngelis; Sean D. Malloy; David S. Miller; Benjamin L. Nortman and Andrea B. Schwartz. Part II: Jonathan P. Friedland; Peter J. Antoszyk; Lorie R. Beers; Robert J. Dehney; William Q. Derrough and Timothy Noonan***

Ad Hoc Committees and Other (Unofficial) Creditor Groups: Management, Dislosure and **Ethical Issues** – ***Robert J. Rosenberg; Martin J. Bienenstock; Hon. Robert D. Drain; Ramona D. Elliot and Jeffrey L. Jonas***

Consumer Debtor Class Actions: One More Windmill, or the Ultimate Remedy for the Subprime Mess? – ***Rudy J. Cerone; Leonard J. DePasquale; Thomas M. Heffernon; Hon. David W. Houston, III and Karen L. Kellett***

Drafting Around the Stay: Swaps, Forward Contracts, Repurchase Agreements and the Future of the

Pre-petition Agreements in Bankruptcy – ***John J. Monaghan; Hon. Robert E. Gerber; Ben H. Logan; Edwin E. Smith and Shmuel Vasser***

Finding the Center: Insolvency of Hedge Funds and Other Offshore Entities – ***Daniel M. Glosband; Karen B. Dine; Hon. Arthur J. Gonzalez; Robin F. Phelan and Stuart Sybersma***

Plenary Session –Beyond Ethics: The Coexistence of Zealousness, Professionalism and Civility in the Insolvency Community – ***Richard M. Meth; Prof. Paula Franzese; Melissa Kibler Knoll; Prof. Nancy B. Rapoport and Hon. Linda B. Riegle***

Plenary Session – Judges' Roundtable: Current Cases, Hot Topics and Other Developments – ***Prof. Margaret Howard; Hon. Dennis R. Dow; Hon. Joan N. Feeney; Hon. Judith K. Fitzgerald; Hon. Eugene R. Wedoff and Hon. Gregg W. Zive***

The Church in Chapter 11: The Lessons of the Catholic Diocese Cases – ***James I. Strang; Susan G. Boswell; Ford Elsaesser; Prof. Marci A. Hamilton; Victor A. Vilaplana and Hon. Patricia C. Williams***

Liquidation and Litigation Trusts: Formation, Management, Jurisdictional and Other Issues – ***Geoffrey L. Berman; Allan B. Diamond; Susan M. Freeman; Ronald F. Greenspan and Robbin L. Itkin***

The Fee Study and Beyond: What is Going on in the Real World Now? – ***(Committee Session) – Hon.***

Wesley W. Steen; Prof. Stephen Lubben; Richard Carmody; T. Edward Malpass and Tom Morrow

363 Sales: How Free is Free & Clear? Do New Case Law, Fraud in the Process or Loan-to-Own (or Loan to Buy) Deals and Other Recent Trends Negate the Ability to Get a §363(m) Order and/or Impact Successor-Liability Exposure? – ***(Committee Session)***

Everything that the Bankruptcy Professional needs to know about Intellectual Property – ***(Committee Session)***

Confirmation, Modification and Consummation of Chapter 13 Plans in the Post-BAPCPA World – ***Hon. Steven W. Rhodes; Richard J. Hayden; Debra Miller; Doreen Solomon and David S. Yen***

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DEIRDRE MARTINI ELECTED TO ABI'S BOARD OF DIRECTORS

April 11, 2008, Alexandria, Va. – The American Bankruptcy Institute (ABI) announces that **Deirdre A. Martini** of Wachovia Capital Finance (New York) has been elected to ABI's Board of Directors. An ABI member since 1999, Martini has served as a member of the advisory committee for the ABI Endowment Fund's landmark professional fee study and is a frequent speaker at ABI's conferences and events. She will serve a term of three years on the 60-member ABI Board of Directors.

Martini is a managing director at Wachovia Capital Finance focusing on business development for the restructuring sector in the Northeast United States. Martini joined Wachovia from CIT Group, where she was managing director and senior restructuring advisor for Commercial Finance and the National Restructuring Group. Prior to that, she was appointed by the U.S. Attorney General as the U.S. Trustee for the Southern District of New York, where she oversaw the administration of some of the largest and most complex chapter 11 restructurings in recent history.

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The Essential Resource for Today's Busy Insolvency Professional

ABI'S POPULAR NEW YORK CITY BANKRUPTCY CONFERENCE TO BE HELD MAY 12

January 23, 2007 Alexandria, Va. – The American Bankruptcy Institute's (ABI) tenth annual New York City Bankruptcy Conference is scheduled for May 12 at the millennium Broadway Hotel and Conference Center/Hudson Theatre in New York City. The day-long conference brings together a faculty of New York Bankruptcy judges with practitioners from the top national insolvency firms in New York City to discuss timely issues related to bankruptcy. The workshops and plenary sessions offer 7.0 hours of CLE credits.

Lisa J. Donahue of AlixPartners LLC, **Glenn E. Siegel** of Dechert LLP and **Albert Togut** of Togut, Segal & Segal, LLP are the program chairs for the conference, Bankruptcy Judge **James M. Peck** (S.D.N.Y.) serves as the judicial chair.

"Nuts & Bolts" Bankruptcy Fundamentals for Young Practitioners," a separate program on bankruptcy fundamentals for practitioners new to the bankruptcy arena, will be offered again this year. The program, chaired by **Ira L. Herman** of Thompson & Knight LLP, will be held on May 9 at the U.S. Bankruptcy Court, located at the Alexander Hamilton U.S. Custom House in New York City.

Panel discussions at the conference include:

A Judges' Roundtable, moderated by Bankruptcy Judge **James M. Peck** (S.D.N.Y.) will feature a panel of bankruptcy judges from the Southern and Eastern Districts of New York discussing current developments.

Albert Togut of Togut, Segal & Segal, LLP will moderate the "ABI Landmark Fee Study: Moving-Forward Analysis" plenary session with panelists **Diana G. Adams** of the Office of the U.S. Trustee (Region 2), Prof. **Stephen J. Lubben** of Seton Hall Law School (Newark, N.J.), **Deirdre A. Martini** of CIT National Restructuring Group and **Michael P. Richman** of Foley & Lardner LLP.

"Hot Topics in Valuation Decisions/Fights" will be moderated by **Martin J. Bienenstock** of Dewey & LeBoeuf, LLP with panelists **Kenneth A. Buckfire** of Miller Buckfire & Co., LLC, **Gary L. Kaplan** of Fried, Frank, Harris, Shriver & Jacobson LLP, Bankruptcy Judge **James M. Peck** (S.D.N.Y.) and **Mark Shapiro** of Lehman Brothers.

Distressed investing guru **Wilbur L. Ross Jr.** of W.L. Ross & Co. will be moderating the "Subprime Panel" session with panelists **Lewis Kruger** of Stroock & Stroock & Lavan LLP, **James M. Lukenda** of Huron Consulting Group LLC, Bankruptcy Judge **Cecelia G. Morris** (S.D.N.Y.) and **James H.M. Sprayregen** of Goldman Sachs & Co.

The "Gift Plan Contributions" session will be moderated by **Lindsee P. Granfield** of Cleary, Gottlieb, Steen & Hamilton LLP with panelists **Howard S. Beltzer** of Morgan, Lewis & Bockius LLP, **Matthew Cantor** of Normandy Hill Capital, L.P., Bankruptcy Judge **Arthur J. Gonzalez** (S.D.N.Y.) and **Michael J. Sage** of O'Melveny & Myers LLP.

"Changing Players in Chapter 11," to be moderated by **Peter V. Pantaleo** of Simpson Thacher & Bartlett LLP, will include panelists **Shelley C. Chapman** of Willkie Farr & Gallagher LLP, Bankruptcy Judge **Robert E. Gerber** (S.D.N.Y.), **Thomas Moers Mayer** of Kramer Levin Naftalis & Frankel LLP and **My Chi To** of Debevoise & Plimpton LLP.

The "Changing the Face of Corporate America" will be moderated by **Lisa J. Donahue** of AlixPartners LLP and feature panelists Bankruptcy Judge **Robert D. Drain** (S.D.N.Y.), **Marshall Scott Huebner** of Davis Polk & Wardwell, **James E. Millstein** of Lazard Freres & Co. LLC and **Bruce H. Simon** of Cohen, Weiss & Simon LLP.

"Hot Topics in Financings and Asset Dispositions," to be moderated by **Michael Luskin** of Luskin, Stern & Eisler LLP, will feature panelists Bankruptcy Judge **Allan L. Gropper** (S.D.N.Y.), **William Q. Derrough** of Jefferies & Company, Inc. **Marcia L. Goldstein** of Weil, Gotshal & Manges LLP and **Brian Trust** of Mayer Brown LLP.

The "Asset Protection" session will be moderated by **Michael L. Cook** of Schulte Roth & Zabel LLP with

panelists **Melanie L. Cyganowski** of Greenberg Traurig, LLP, Bankruptcy Judge **Martin Glenn** (S.D.N.Y.), **Alec P. Ostrow** of Stevens & Lee, PC and **Gideon Rothschild** of Moses & Singer LLP.

A panel featuring Bankruptcy Judge **Stuart M. Bernstein**, **Richard M. Cieri** of Kirkland & Ellis LLP, **Steven J. Reisman** of Curtis, Mallet-Prevost, Colt & Mosle LLP and **Scott Y. Stuart** of Donlin, Recano & Company, Inc. will join moderator **David I. Paulker** of Goldin Associates, LLC for the "Troubled Hedge Fund Liquidations" session.

The "Rights Offerings" panel will be moderated by **David L. Resnick** of Rothschild, Inc. with panelists **D.J. "Jan" Baker** of Skadden, Arps, Slate, Meagher & Flom LLP, **Lisa G. Beckerman** of Akin Gump Strauss Hauer & Feld LLP, **Glenn E. Siegel** of Dechert LLP and Bankruptcy Judge, **Elizabeth S. Stong** (E.D.N.Y.).

Corrine Ball of Jones Day will moderate the "International Panel session featuring panelists **Evan C. Hollander** of White & Case LLP, Bankruptcy Judge **Burton R. Lifland** (S.D.N.Y.), **Deryck A. Palmer** of Cadwalader, Wickersham & Taft LLP and **Joseph Samet** of Baker & McKenzie LLP.

Sponsors for this year's event include: AlixPartners LLP, Baker & McKenzie LLP; Cadwalader, Wickersham & Taft LLP; Davis Polk & Wardwell; Debevoise & Plimpton LLP; Dechert LLP, Donlin, Recano & Company, Inc.; Dewey & LeBoeuf, LLP; Epiq Systems; Fried, Frank, Harris, Shriver & Jacobson

LLP; Goldman Sachs & Co.; Greenberg Traurig, LLP; Huron Consulting Group LLC; Jefferies & Company Inc.; Jones Day, Kirkland & Ellis LLP; Kramer Levin Naftalis & Frankel LLP; Luskin, Stern & Eisler LLP; Mayer Brown LLP; Mesirow Financial Consulting, LLC; Miller Buckfire & Co.; LLC, Morgan, Lewis & Bockius LLP; Normandy Hill Capital, L.P.; Rothschild, Inc.; Schulte Roth & Zabel LLP; Simpson, Thacher & Bartlett LLP; Stroock & Stroock & Lavin LLP; Togut Segal & Segal, LLP; Thompson Knight LLP; W.L. Ross & Co.; Weil Gotshal & Manges LLP; White & Case LLP; and Willkie, Farr & Gallagher LLP.

LORAL SELLS $150 MILLION IN SENIOR DEBENTURES.

NEW YORK – (BUSINESS WIRE) – June 2, 1995 – Loral Corporation (NYSE:LOR) today announced it has completed an offering of $150 million of 7 5/8 percent, 30-year senior debentures.

The company said it is issuing the debentures to take advantage of the current lower interest rate environment. The proceeds of the offering will be used for reduction of outstanding commercial paper and for other general corporate purposes. This concludes the offering under the company's existing shelf registration statement.

The sale was managed by Bear, Stearns & Co., and Lehman Brothers.

[LOGO]

Loral Cyberstar Successfully Concludes Debt-For-Debt Exchange Offers With 90+ Percent Participation

PRESS RELEASE

Date Released: Monday, December 24, 2001
Source: Loral – Comments

Debt Level, Interest Rate To Be Reduced

Loral Space & Communications (NYSE: LOR) announced today that the exchange offers and consent solicitations initiated on November 23 by its wholly owned subsidiary, Loral CyberStar, Inc., expired at midnight last night, as planned. Holders of more than 90 percent in the aggregate of the senior notes due 2007 and the senior discount notes due 2007 accepted the offers, satisfying Loral's requirement that holders of a minimum of 85 percent of the outstanding notes accept the offers. Loral CyberStar will now proceed to complete the exchange. Further details will be available at the closing, expected to occur before the end of 2001.

The interest rate on the new notes will be 10%, a reduction from the 11.25% interest rate on the existing senior notes and the 12.5% rate on the existing senior discount notes. As a result of the lower interest rate and the approximately $225 million reduction *in debt*, Loral's annual cash interest payments will be reduced by at least $38 million.

Loral CyberStar's existing notes not tendered in the exchange will remain outstanding, retaining their original maturities and interest rates, but will lose the benefits of substantially all of their covenant protections. The new notes will be guaranteed by Loral and mature on July 15 2006, while the existing notes are non-recourse to Loral. As part of this exchange Loral will issue to the new note holders approximately $6 million five year warrants to purchase Loral Space & Communications common stock (approximately 1.8% of the company's outstanding stock) at a price of $2.37 per share.

The lead manager and lead solicitation agent for the transaction is Dresdner Kleinwort Wasserstein. In addition, Banc of America Securities LLC, JPMorgan and Lehman Brothers Inc. are serving as co-managers and solicitation agents.

Lehman Employment
Finance Career Profiles: Firm Culture, Finance Pay, Hiring |
www.vault.com/finance

LOCK-UP AGREEMENT

LOCK-UP AGREEMENT, dated as of October 17, 2002, by and among Sirius Satellite Radio Inc., a Delaware corporation (the "Company"), Apollo Investment Fund IV, L.P., a Delaware limited partnership ("AIF"), Apollo Overseas Partners IV, L.P., a Cayman Islands limited partnership ("AOP", and together with AIF, "Apollo"), Blackstone CCC Capital Partners L.P., a Delaware limited partnership ("BCC"), Blackstone CCC Offshore Capital Partners L.P., a Cayman Islands limited partnership ("BCO"), Blackstone Family Investment Partnership III L.P., a Delaware limited partnership ("BF"), LJH Partners, LP, a Delaware limited partnership ("LJH"), Robert C. Fanch Revocable Trust ("Fanch"), BCI Investments II, LLC, a Delaware limited liability company ("BCI", and together with BCC, BCO, BF, LJH and Fanch, "Blackstone"), Space Systems/Loral, Inc., a Delaware corporation ("SS/L"), Lehman Commercial Paper Inc., a Delaware corporation ("LCPI") and the undersigned beneficial owners (or investment managers or advisors for the beneficial owners) of the Notes (as defined below) identified on Schedule A to this Agreement on the date of this Agreement and each other beneficial owner (or investment managers or advisors for the beneficial owners) of Notes that executes a counterpart signature page to this Agreement after the date

of this Agreement as provided in Section 27 (collectively, the "Noteholders," and each, individually, a "Noteholder").

* * *

(Signature page to Lock-Up Agreement dated as of October 17, 2002)

LEHMAN COMMERCIAL PAPER INC.

By: /s/ Steve Hannan
Name: Steve Hannan
Title: Senior Vice President

745 Seventh Avenue
New York, New York 10019

Aggregate principal amount, exclusion accrued interest, of term loans held: $150,000,000

SPACE SYSTEMS/LORAL, INC.

By: /s/ Richard F. Mastoloni
Name: Richard P. Mastoloni
Title: Vice President and Treasurer

3825 Fabian Way
Palo Alto, California 94303

Aggregate principal amount, excluding accrued interest, of term loans held: $50,000,000

Loral Space & Communications – Registration Rights Agreement

EXECUTION COPY

LORAL SPACE & COMMUNICATIONS LTD.

$600,000,000

6% Convertible Preferred Equivalent Obligations due 2006

REGISTRATION RIGHTS AGREEMENT

New York, New York
November 6, 1996

Lehman Brothers Inc. Bear, Stearns & Co. Inc. Donaldson, Lufkin & Jennette Securities Corporation Oppenheimer & Co., Inc. Unterberg Harris c/o Lehman Brothers Inc. 3 World Trade Center New York, New York 10283

K & F to Buy Back Equity Interest Held by Loral, Others.

Publication: Business Wire

Date: Monday, September 15 1997
Subject: Mergers, acquisitions and divestments, Aircraft parts
Company: K and F Industries Inc. (New York, New York) Mergers, acquisitions and divestments 00212074
Product: Aircraft parts and equipment, not elsewhere classified, Aircraft Parts, Other Aircraft Parts and Auxiliary Equipment Manufacturing

NEW YORK – (BUSINESS WIRE) – September 15, 1997 – K & F Industries, Inc. announced today that its Board of Directors and major shareholders have approved a plan under which K & F will purchase the equity interests held in it by Loral Space & Communications (NYSE:LOR) and Chase Capital Partners, L.P., as well as a portion of the interests held by other shareholders. The transaction provides for K & F to repay all of its existing indebtedness as well as to repurchase a portion of its equity capital, resulting in its two major shareholders owning 100 percent of the company. Funding for the transaction will be provided by a new senior credit facility and the issuance of new senior subordinated notes. The transaction is expected to close in mid-October.

Based on its continued strong financial performance, the transaction will enable the closely held K & F to provide liquidity to its shareholders while maintaining a strong financial foundation for the future. Under the plan, Bernard L. Schwartz, chairman and

chief executive officer of K & F, will increase his ownership of the company to 50 percent from 23 percent. Certain merchant banking partnerships affiliated with Lehman Brothers Holdings Inc. will own the remaining 50 percent, approximately maintaining their current ownership position. K & F's other existing shareholders, including Loral and Chase, will sell all of their shares of the company back to K & F for cash.

The New York Times
Monday, **Business**
September 22, 2008

COMPANY NEWS; LORAL TO SELL BACK 22.5% INTEREST IN K & F INDUSTRIES

Published September 16, 1997

Loral Space and Communications Ltd. said yesterday that it would sell its 22.5 percent interest in K & F Industries back to the company for about $80 million. Closely held K & F also would buy Chase Capital Partners L.P.'s 2.2 percent interest for $7.7 million, a K & F spokesman, Kenneth Schwartz, said. K & F's chairman and chief executive, Bernard Schwartz, who holds the same positions at Loral, will increase his K & F ownership to 50 percent from 23.5 percent as part of the agreement. Lehman Brothers' Merchant Banking Group, which now owns 48.2 percent, will hold the other half after the transaction is completed. K & F makes aircraft wheels, brakes and anti-skid systems for airplanes as well as aircraft fuel tanks and other aviation equipment.

Loral to Sell its Interests in K & F Industries for $80 million in Cash.

NEW YORK – (BUSINESS WIRE) – Sept. 15, 1997 – Loral Space & Communications Ltd. (NYSELOR) announced today that it has reached an agreement which will result in the sale of its 22.5 percent interest in K & F Industries, Inc. for approximately $80 million in cash proceeds. Loral received its interests in K & F in connection with the sale of Loral Corporation's defense businesses last year and had indicated that, under favorable market conditions, it would eventually monetize its investment in K & F.

Bernard L. Schwartz, chairman and chief executive officer of Loral stated: "The transaction serves both the short- and long-term interests of Loral. There are enormous opportunities available to Loral in the satellite communications industry and, while our investment in K & F yielded an excellent return, we believe this is an excellent time to redeploy the cash generated by this transaction to continue the build-up of our core businesses.

"K & F's ability to offer shareholders this transaction at this time," Mr. Schwartz continued, "reflects its excellent performance to date and the prevailing advantageous financial conditions."

acquisition: Aurora Group buys out K&F

Publication: Flight International

Publication Date: 26 OCT-04

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US aerospace supplier K&F Industries is to be acquired by Los Angeles-based investor Aurora Capital Group for $1.06 billion in cash. Owned by Loral chairman Bernard Schwartz and Lehman Brothers Merchant Banking, K&F is the parent company of Aircraft Braking Systems (ABSC) and Engineered Fabrics.

K&F INDUSTRIES INC Annual Report (Regulation S-K, item 405) (10-K405) ITEM 10.

The following is an excerpt from a 10-K405 SEC Filing, filed by K&F INDUSTRIES INC on 3/31/1999.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the names, ages and positions of the directors and executive officers of the Company. All directors hold office until the next Annual meeting of stockholders of the Company and until their successors are duly elected and qualified, and all executive officers hold office at the pleasure of the Board of Directors. The following executive officers or directors of the Company are related by blood or marriage: Kenneth M. Schwartz is the nephew of Bernard L. Schwartz, Ronald H. Kisner's wife is the niece of Bernard L. Schwartz and John R. Paddock's wife is the daughter of Bernard L. Schwartz. No other executive officer or director of the Company is related by blood, marriage or adoption.

50 Main Street
White Plains, New York 10606

PROXY STATEMENT FOR THE 2006 ANNUAL MEETING OF STOCKHOLDERS OF K&F INDUSTRIES HOLDINGS, INC.

EXECUTIVE COMPENSATION

The following table sets forth the compensation for the years ended December 31, 2005, 2004 and 2003, for the chief executive officer of K&F Industries and each of our other four most highly compensated executive officers.

		Annual Compensation		Long-Term Compensation	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Options Granted (a)(#)	LTIP Payouts ($)
Kenneth M. Schwartz	2005	605,113	625,000	559,269	—
President and Chief Executive	2004	569,630(c)	391,000	—	36,667
Officer	2003	553,746(c)	825,000	1,400	54,000
Dirkson R. Charles	2005	263,615	200,000	99,426	—
Executive Vice President and	2004	244,000	146,000	—	22,333
Chief Financial Officer	2003	236,946	387,000	650	40,667
Ronald H. Kisner	2005	238,112	150,000	99,426	—
Executive Vice President,	2004	219,400	131,000	—	20,333
Secretary and General Counsel	2003	213,152	310,000	450	37,000
Frank P. Crampton	2005	234,319	105,000	62,141	—
Senior Vice President	2004	217,000	95,000	—	15,333
Marketing of Aircraft Braking	2003	207,838	210,000	350	28,000
Systems					
Bernard L. Schwartz	2005	17,995(d)	—	—	—
Chairman of the Board of	2004	1,771,944(c)	2,719,000	—	—
Directors of K&F Industries, Inc.	2003	2,175,372(c)	2,732,800	—	—

[Taken From Loral Space & Communication Advertisement For Its Satellites]

Greater Capacity

With today's digital traffic, SS/L satellites' ability to deliver higher power translates into greater communications capacity, a continuing customer demand. So SS/L customers get better regional and beam performance, additional coverage area, frequency reuse when desired for more efficient use of available bandwidth, and longer useful life.

Increasingly popular technologies such as Ka-band satellites and spot beams, primarily used for broadband communications, require the kind of power and capability that SS/L now provides. As a result of its capabilities and its design expertise, SS/L has become the leading vendor in this arena, with contracts for more satellites that use these new technologies than any other manufacturer.

SS/L satellites feature fuel-efficient attitude and stationkeeping systems that ensure long on-orbit life. In fact, some of SS/L satellites are currently being retired after 17 years of successful service, more than twice their design live. While thrusters put satellites on station and keep them there, three-axis, momentum-bias stabilization systems accurately maintain their attitudes to keep antennas and sensors pointed to the desired coverage areas. Electrical power requirements are met by deployable solar arrays that are supplemental with high-energy batteries when the spacecraft passes through the earth's shadow.

SS/L Products

SS/L's geostationary satellite produce portfolio continues to evolve to give our customers a greater span of power and capability from which to choose. The power range now reaches from 5 kW to as high as 30 kW, and the number of active transponders goes from as few as 12 to as many as 150.

Our spacecraft

• The 1300, a powerful, space-proven platform for a wide range of services, has been in constant evolutionary development to deliver increasingly greater power, communications capability, and longer useful life, keeping the company in the forefront of satellite technology.

Total satellite power ranges from 5 to 12 kW continuously throughout the life of the spacecraft. On-board transmitter power – exceeding 5,000 RF watts – can accommodate as many as 70 active transponders. Launch mass tops out at approximately 5,500 kg.

The size and capabilities of the 1300 can be expanded to generate and process more power, and accommodate larger, more powerful payloads. In total, these changes can provide up to 40 percent more capacity than available in the basic model, ideal for any of today's demanding multi-band and spot-beam payloads. The expanded models feature total satellite power that ranges from 12 to 18 kW throughout the life of the spacecraft, and on-board transmitter power

– approaching 10,000 RF watts – that can accommodate as many as 90 active transponders. Launch mass of the largest version tops out at approximately 6,700 kg.

With all of their features and power, satellites in the 1300 line will fit into a 5-meter launch-vehicle fairing.

The 20.20™, a revolutionary GEO satellite design that provides greater communications capacity by integrating next-generation technologies with the proven reliability of traditional concepts and products. Total satellite power available ranges from 17 to 30 kW. On-board transmitter power – up to 15,000 RF watts – can accommodate as many as 150 active transponders. Launch mass tops out at approximately 8,500 kg. The 20.20 will be launched in a 5-meter fairing.

SS/L's 20.20 delivers higher power, additional and more focused coverage, more efficient use of bandwidth, longer useful life on orbit, and modular construction for easy customization and shorter delivery times. Thus, SS/L will more easily be able to fulfill the needs of its customers – well into this new century.

This GEO platform features components made of new, lightweight materials, including better batteries, high-efficiency solar arrays with improved drive, and other electronic components. Along with the weight-saving features, the 20.20 uses Hall-effect

plasma thrusters and advanced command and control systems.

All of these improvements will allow the 20.20 platform to accommodate payloads that include next-generation antennas, feeds, multiplexers, on-board data processing with switching, and enhanced frequency-reuse multiplexing for better use of available bandwidth. These advances are being integrated, when appropriate, into various 1300 series satellites.

SS/L GEO Satellites	1300	20.20™
Total satellite power (kW)	5-18	17-30
Active transponders	Up to 90	Up to 150
Launch mass (approximate in kg)	5,500-6,700	8,500
Propulsion	Bipropellant Or Ion+ Bipropellant	Ion propulsion and Electric orbit-raising
Batteries	Fixed Or Deployable	Deployable
Thermal radiators	Fixed Or Deployable	Deployable
Launch vehicle fairing (meters)	4	5

LS20.20

SPACE and TECH Digest

January 22, 2001

Loral Marketing New Satellite Bus

Space Systems/Loral, Palo Alto, has completed development work on a new satellite design and is ready to begin manufacturing the new spacecraft. Loral is now seeking customers for their new geostationary satellite bus, dubbed LS 20.20.

The LS 20.20 satellite bus can carry as many as 150 transponders, about three times the transponder capacity of Loral's existing FS 1300 model. The new satellite can operate at up to 30 kilowatts, twice the power output of the current FS 1300 design. The capabilities of added power and transponder capacity means satellites based on the LS 20.20 design will be able to carry more information than spacecraft using earlier busses. Each LS 20.20 satellite will weigh 5,000-7,000 kg (11,000-15,500 lbm) and require a 5 m (16 ft) fairing. Among the new technologies Loral incorporated into the LS 20.20 design are more capable solar panels, higher-capacity batteries and an improved ion-propulsion system to control the satellite's position in orbit.

The LS 20.20 represents Loral's biggest advance in satellite power and transponder capacity since 1993, when the company introduced an improved FS 1300 design that operated at 9 kilowatts, up from 5 kilowatts. In the years since the FS 1300 design was

increased to 9 kilowatts of power, Loral has sold only one less-powerful geostationary communications satellite.

Loral spent 1999 developing the design for the new satellite, "starting with a clean sheet of paper" to determine what new technologies needed to be developed to make it possible to construct a new satellite, and 2000 in developing those technologies.

Competitors for the 20.20 include Boeing Satellite Systems BSS 702 and Alcatel Space's Spacebus 3000.

http: www.spaceandtech.com/digest/sd2001-03/sd2001-03-006.shtml

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DUANE MORRIS
FEDERAL CIRCUIT ALERT

link to this federal circuit opinion:
http://fedcir.gov/opinions/04-1501.pdf

Defendant's Own Expert Relied on to Reverse Summary Judgment of Invalidity

***Space Systems/Loral, Inc. v. Lockheed Martin Corp.*, No. 04-1501**

In an April 20, 2005 decision, the Federal Circuit overturned a June 2004 decision by Judge Susan Illston of the U.S. District Court for the Northern District of California. The district court found a patent on technology for maintaining the position of satellites invalid for violating the written description requirement of 35 U.S.C. §112.

Space Systems/Loral, Inc. ("Loral") sued Lockheed Martin for infringement of a patent directed to a method for maintaining the orientation and position of a satellite in space. Satellites in orbit tend to be pulled out of their proper position by the gravitational forces of the sun, earth and moon. Consequently, satellites conduct "station-keeping maneuvers" to maintain proper position by firing their thrusters, based on measurements of their position. However, these station-keeping maneuvers often overcorrect or introduce new errors in position and orientation, thus requiring a second firing of the thrusters to correct the errors of the first firing.

The Loral patent is directed to a method of reducing the fuel consumption and, therefore, increasing the

life of the satellite by improving the efficiency of the corrective procedure during station-keeping maneuvers. Claim 1 of the patent defines a multi-step procedure in which the satellite first estimates the probable correction based on historical data from prior station-keeping maneuvers, conducts a first firing and then measures the remaining actual error in its position, adds the actual error to the historical error, and conducts a second firing.

On Lockheed Martin's motion for summary judgment, the U.S. District Court for the Northern District of California adopted Lockheed Martin's position that the asserted patent was invalid for failure to comply with the written description requirement on the grounds that the specification did not adequately describe "the second step in which the satellite calculates the position after the first firing and performs the second firing of the thrusters."

On appeal, the Federal Circuit reversed the district court's finding of invalidity. In a decision written by Circuit Judge Pauline Newman, the three-judge panel from the Federal Circuit noted that experts for both sides identified the same structure in the specification for performing the second step and concluded the specification sufficiently described the invention claimed in Claim 1. The Federal Circuit rejected Lockheed Martin's contention that Loral's expert testimony was "conclusory," noting that Loral's expert was quite specific in identifying and explaining the supporting structure in the specification. Further, the Federal Circuit put significant emphasis on the fact

that Lockheed Martin's own expert "in cross-examination admitted that a person skilled in the art in this field of science would locate the second step" in the specification.

[LOGO]

LORAL SKYNET GRANTED ITS FIRST-EVER PATENT FOR INNOVATIVE TRANSPONDER PERFORMANCE MEASUREMENT SYSTEM

BEDMINSTER, N.J. – July 25, 2002 – Loral Skynet today announced that it has received its first-ever patent for a unique transponder plot measurement, storage and distribution system that allows Skynet's engineers to clearly see a customer's satellite signal integrity, power levels and possible interference problems directly from a desktop computer in real time. Loral Skynet is a subsidiary of Loral Space & Communications (NYSE: LOR).

Transponder plots – essentially a snapshot in time of the radio frequency spectrum on a given transponder – are generally drafted on paper at a satellite operator's control center and faxed to engineers and the satellite's end-users. Skynet's electronic plot system allows its engineers to supply customers with a clear and professional quality plot of their signal(s) on Loral Skynet satellites quickly and efficiently. The information can also be sent to customers electronically as a JPEG file.

The software gives Skynet engineers a consistent and flexible electronic plot format that allows for analysis, annotation and distribution with no loss in the professional presentation quality. In its electronic format, over a year's worth of plots can be archived on a single CD ROM.

"Our engineers' ability to quickly obtain and utilize electronic, accurate, and easy-to-read transponder measurements, and to convey this information to our customers, has improved greatly with this new tool," said Rich Currier, vice president, technical engineering and operations, Loral Skynet. "Teams across the Loral Skynet organization may easily use the information in our continuing effort to provide our customers with the best possible service."

The transponder measurement system was developed by Loral Skynet engineers Derwin Skotch and David McDowell in May 2000.

Loral to acquire AT&T SkyNet satellite service operations in $712.5 million transaction

NEW YORK – (BUSINESS WIRE) – Sept. 25, 1996

Loral Space & Communications Ltd. (NYSE:LOR) announced today that it has entered into a definitive agreement to acquire AT&T's SKYNET Satellite Services for $712.5 million in cash. The acquisition is the first for the "new" Loral and, together with Loral's existing satellite activities, creates one of the world's largest satellite-based businesses.

* * *

Loral Space & Communications Ltd. is a $1.7 billion high technology company headquartered in New York that concentrates on satellite manufacturing and satellite-based services.

* * *

AT&T
908/221-7611
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Loral completes acquisition of AT&T's Skynet Satellite Services

NEW YORK – (BUSINESS WIRE) – March 14, 1997 – Loral Space & Communications Ltd. (NYSE:LOR)_ announced today that it has completed the acquisition of AT&T's Skynet Satellite Services. The purchase price, adjusted to reflect the sudden on-orbit loss of Telstar 401 in January, was $478.1 million.

* * *

Loral Space & Communications Ltd., headquartered in New York concentrates on satellite manufacturing and satellite-based services. Loral recently announced an

agreement to increase its ownership in Space Systems/Loral to 100 percent. Loral also manages and is the largest equity owner of Globalstar, in which it holds a 35 percent interest.

CONTACT: Jeanette Clonan
(212) 338-5658
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Telesat

From Wikipedia, the free encyclopedia
(Redirected from Telesat Canada)

On October 5, 2007 Loral Space & Communications Inc. and the Public Pension Investment Board of Canada received the final regulatory approval necessary to complete the acquisition of Telesat from BCE Inc. for CAD $3.25 billion. The acquisition closed on October 31, 2007, with Loral owning 64 percent of Telesat

* * *

Skynet's fleet consists of Telstars-10, -12, -14 (Estrela do Sul), and -18. In 2003, Skynet sold its North American satellite fleet (Telstars 5 through 8 and 13) to Intelsat; they were renamed Intelsat Americas 5-8 and 13. This was done to help reduce debt after its parent, Loral Space & Communications, filed for Chapter 11 bankruptcy on July 15, 2003. As part of the agreement, Skynet was precluded from competing in the North American market until March 18, 2006. In June 2007, Loral Space & Communications made an unsuccessful bid to acquire Intelsat.

[LOGO] NEAR
EARTH
SPECIALISTS IN SATELLITE, MEDIA AND TELECOM INVESTMENT BANKING

December 2006

Loral Snares Telesat

Loral Space and Communications recently announced that, in conjunction with the Canadian Public Sector Pension Investments Board (PSP), it was purchasing Telesat Canada from Bell Canada Enterprises for $2.8 billion plus $148 million in assumed debt (all figures in this discussion are stated in U.S. dollars). The overall structure for the transaction is shown in the figure above.

What then are the implications of this deal? First, we note that the implied valuations for both Telesat ($2.94 billion) and Loral Skynet ($1.05 billion) set new valuation benchmarks for smaller satellite operators, and demonstrate continued appetite for FSS firms on the part of debt and private equity investors – even at valuations that heretofore would be considered rarefied. In the case of Telesat, we think a lot of the premium has to with the nature of Telesat's asset base, which is focused on North America and direct to home television services. Simply put, this is the crème de la crème of satellite assets – North America is wealthy, growing and largely capacity constrained at Ku frequencies. With millions of subscribers pointed at an operator's satellite, the direct to home sector has extraordinarily high switching costs

compared to traditional satellite, which further enhances the visibility of associated cash flows. While these are clearly desirable assets from a financial perspective (as demonstrated by the heated bidding), we also believe that the strategic fit of the transaction also makes a lot of sense, and the winning bid reflects to no small extent the pressure that smaller operators in the industry face to consolidate (and, the potential gains). Alternatively, one can say that investors are betting big that the synergies from the combination will be substantial and quickly realized.

2003-10K

Orbital Slots

Authorization to Launch and Operate Satellites

Pursuant to satellite licensing rules issued in 2003, the FCC grants satellite authorizations on a first-come, first-served basis to satellite operators that meet its legal and technical qualification requirements. The FCC often receives multiple applications to operate a satellite at a given orbital slot. There can be no assurance that our applications will be granted. Most satellite authorizations include specific construction and launch milestones; failure to meet them may result in license revocations. **Under licensing rules, we must post a bond for up to $5,000,000 when we are granted a satellite authorization.** The bond may be forfeited if we fail to meet any of the milestones for satellite construction, launch and commencement of operation. In accordance with the current licensing rules, the FCC will issue new satellite licenses for an initial fifteen-year term and will provide a licensee with an "expectancy" that a subsequent license will be granted for the replacement of an authorized satellite. At the end of a fifteen-year term, a satellite that has not been replaced, or that has been relocated to another orbital location following its replacement, may be allowed to continue operations for a limited period of time subject to certain restrictions.

We have final FCC authorization for the following existing or planned satellites which operate or will operate in the C-band, the Ku-band, or both bands: Telstar 9 at 69° W.L., Telstar 11 at 37.5°W.L., Telstar 12 at 15° W.L. and Orion A at 47°W.L. In addition, we have final authorization to operate at the following orbital slots: Ka-band at 15° W.L., 67° W.L., 93° W.L., 115° W.L., 139° E.L., and 126.5° E.L.

* * *

Loral Orbital Slots

Loral and its partners in the Global Alliance own a portfolio of space assets that include ten high performance satellites and **the rights to more than 40 orbital slots**. These locations like beach front property have excellent views and are finite in number, making them, in effect prime real estate which can be developed to yield substantial returns.

(Emphasis added.)

Intelsat 2004-Q1

Note 3 Purchase of the North American satellite assets of Loral Space & Communications Corporation

On March 17, 2004, Intelsat completed its purchase of certain of the satellites and related assets of Loral Space & Communications Corporation and certain of its affiliates (collectively "Loral" or the "Sellers"). Intelsat acquired these satellites and related assets for a purchase price of $961,063 pursuant to an asset purchase agreement with the Sellers dated as of July 15, 2003. In addition, Intelsat incurred transaction costs estimated at $14,538 in connection with the transaction. The assets that Intelsat acquired include four in-orbit satellites, one satellite under construction, the rights to six orbital locations and various assets relating to the satellites and the business that the Sellers conducted on the satellites, including customer contracts. In addition, Intelsat assumed certain specified contractual commitments of the Sellers relating to the acquired assets. Intelsat financed the Loral transaction with the proceeds from its issuance in November 2003 of its 5.25% Senior Notes due 2008 and its 6.50% Senior Notes due 2013. The financial results associated with the assets acquired in connection with the Loral transaction are included in the Company's consolidated financial statements beginning on March 17, 2004.

* * *

The Loral transaction was accounted for under the purchase method of accounting, whereby the purchase price was allocated to the assets acquired and

liabilities assumed based on their estimated fair market values at the date of acquisition. Independent third-party appraisers were engaged to perform valuations of certain of the tangible and intangible assets acquired. Based upon the preliminary appraisals received and management's estimates, the purchase price was preliminarily allocated to the assets and liabilities acquired as follows:

Insurance receivable	$141,000
Satellites	633,823
Other assets	18,019
Customer relationships	47,748
Orbital locations	**200,880**
Deferred revenue	(61,388)
Accounts payable and accrued liabilities	(4,481)
Total cash consideration, net of assumed liabilities	$ 975,601

* * *

During the three months ended March 31, 2004, the Company acquired rights to six orbital locations in connection with the closing of the Loral transaction, as described in Note 3 above. The rights to these orbital locations were valued at $200,880 at the date of acquisition. Because these rights have been deemed to have indefinite useful lives, they will not be subject to amortization expense. However, they will be tested for impairment annually or when a change in circumstances occurs.

(Emphasis added.)

Business Services Industry

Loral Skynet Wins Auction for Brazilian Satellite Slot; Continues to Broaden its Satellite Services in Western Hemisphere

Business Wire, March 17, 1999

Tags: satellite

- E-mail
- Print
- Link

NEW YORK – (BUSINESS WIRE) – March 17, 1999 – Loral Space & Communications (NYSE:LOR) and Brazil's Agencia Nacional de Telecomunicacoes (ANATEL) yesterday announced that Loral has been selected as the winner of the recent auction to acquire a Brazilian orbital satellite slot.

The winning US$18 million bid made by Loral Skynet do Brasil, Sao Paolo, gives the company the right to Brazils' 63 degrees west longitude slot, from which it will offer Ku-Band satellite services to customers within Brazil and throughout most of the Western hemisphere. Supplementing these services, Loral Skynet do Brasil will also be able to offer coverage in other parts of the world through the member companies of the Loral Global Alliance.

AP
Loral Wins [2007] Suit Against Rainbow

Wednesday January 24, 6:07 pm ET

Loral Wins Suit Against Rainbow, Sees $51 Million Windfall; Cablevision Considers Options

NEW YORK (AP) – Loral Space & Communications Inc., which operates a fleet of telecommunications satellites, said Wednesday it won a jury verdict worth $51 million.

The New York Supreme Court jury verdict came against Rainbow DBS Holdings, a satellite unit of New York-area cable operator Cablevision Systems Corp.

"We did not believe under the terms of the contract that we were obligated to make an immediate payment, however, the jury determined otherwise," Cablevision said in a separate statement. "We are considering our options and have no further comment at this time."

In March 2001, Loral agreed to sell its stake in Rainbow DBS Co. LLC to Rainbow DBS Holdings. Rainbow Holdings was to pay $33 million when the company's assets were sold, according to a regulatory filing by Loral in last September.

In March 2005, Rainbow DBS sold a satellite to EchoStar Communications Corp., but Rainbow Holdings said Loral was not entitled to any payment. Loral sued in September 2005.

SPACE SYSTEMS/LORAL BEGINS CONSTRUCTION OF TERRESTAR SATELLITE SYSTEM

SS/L takes MSS Industry Lead with Multiple 2 GHz Programs Under Development

PALO ALTO – April 11, 2005 – Space Systems/Loral (SS/L) today announced that it has completed design review of TerreStar Networks, Inc.'s geostationary satellite, TerreStar-1, and entered into the construction phase of the Mobile Satellite Services (MSS) program. The TerreStar satellite, together with an Ancillary Terrestrial Component (ATC), is designed to provide next-generation, 2-GHz mobile voice and data communications, monitoring and messaging services throughout the United States.

Scheduled for delivery in 2007, TerreStar-1 has a service life of 15 years and will carry a state-of-the-art MSS payload featuring a large unfurlable reflector. The satellite will be capable of generating hundreds of spot beams covering the Continental U.S., Canada, Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands. SS/L's contract with TerreStar also includes an option for construction of a second satellite, TerreStar-2.

An FCC decision earlier this year opened the door for TerreStar Networks, and other select satellite operators, to incorporate an ATC with its satellite-delivered communications service. The previously unavailable 2-GHz frequency band will allow MSS operators to provide advanced mobile voice and data

services. These services will be enhanced by ATC technology, which allows for coverage in areas where a satellite's signal could be blocked, including urban canyons, dense forest or other areas out of the satellite's line-of-sight.

"SS/L has taken a leadership position in the development of 2-GHZ MSS satellites, which are at the heart of next generation mobile services," said C. Patrick DeWitt, president, SpaceSystems/Loral. "Together with our experience on other 2-GHz systems, the TerreStar award positions SS/L has the industry leader in the design and development of some of the world's most advanced mobile communication systems."

TerreStar-1 is based on SS/L's space-proven 1300 platform, which has an excellent record of reliable operation. Its high efficiency solar arrays and lightweight batteries are designed to provide uninterrupted electrical power. In all, SS/L satellites have amassed more than 1,100 years of reliable on-orbit service.

ECHOSTAR COMMUNICATIONS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – Continued

Commitments

Future maturities of our contractual obligations are summarized as follows:

	Payments due by period				
	Total	2006	2007-2008	2009-2010	Thereafter
			(In thousands)		
Satellite-related obligations	$ 2,771,224	$ 390,452	$ 892,824	$355,392	$1,132,556
Operating lease obligations	85,533	28,469	41,688	12,808	2,568
Purchase obligations	820,578	649,908	94,890	75,780	—
Total	$ 3,677,335	$1,068,829	$1,029,402	$443,980	$1,135,124

Satellite-Related Obligations

Satellites under Construction. We have entered into contracts to construct six new satellites.

SPACE NEWS Business Report

Loral Aims To Expand Satellite Fleet

By PETER B. de SELDING
Space News Staff Writer
posted: 28 November 2005
10:31 am ET

The reshaped Loral Space and Communications that emerged from 28 months of Chapter 11 bankruptcy protection will seek to expand its satellite fleet through internal growth or acquisitions and would like to purchase one or more of the orbiting telecommunications satellites it was forced to sell to competitor Intelsat in 2004, according to Loral Chairman Bernard L. Schwartz.

Schwartz said Loral is determined to keep both its satellite manufacturing arm, Space Systems/Loral, and its satellite-fleet operator, Loral Skynet, under the same roof. Neither is for sale. "We are not in selling mode," Schwartz said.

In a Nov. 23 interview two days after his company's exit from bankruptcy proceedings, Schwartz made the following points:

– New York-based Loral will not contest the planned merger of competitors Intelsat and PanAmSat and will not ask U.S. regulators reviewing the deal to force the companies to divest any satellites as a condition of the merger. But Schwartz said if the U.S. government asks Intelsat to sell off some of its North American satellites, Loral is a potential buyer.

"We said to the FCC [the U.S. Federal Communications Commission] that there is no reason for us to object to this merger," Schwartz said. "But I would like [Intelsat and PanAmSat] to think about us if they are forced to sell these satellites. The government is very energetic about antitrust laws and we don't know what may happen."

Loral sold its North American satellite fleet to Intelsat in 2004 in a billion-dollar deal to permit Loral to pay off its senior bank debt.

– Space Systems/Loral cannot handle the recent wave of new orders without boosting its full-time staff at the Palo Alto, Calif.-based satellite manufacturing plant by 600, to 2,000, by late 2006.

(Emphasis added.)

Monday, Apr. 11, 2005

[LOGO] THOMSON
ANDREWSPUBLICATIONS WEST

Shareholders Get Long-Sought Committee in Satellite Firm's Bankruptcy

By MATTHEW C. MCNALLY, ESQ., Andrews Publications Staff Writer

On the heels of a bankruptcy examiner's "stunning" finding that Loral Space & Communications Ltd. undervalued its assets by as much as $463 million, a federal bankruptcy trustee has appointed an official shareholder committee in the satellite maker's reorganization case.

Loral's preferred and common stockholders have been seeking an official committee since September 2003, contending that Loral has not properly looked after their interests.

The new committee gives the stockholders some clout and a seat at the table in the reorganization process.

The shareholders have claimed Loral's bankruptcy petition was a "fraudulent filing" and that an honest appraisal of the company's assets would reveal that CEO Bernard Schwartz and other top managers colluded to produce a balance sheet that conceals the true value of Loral's assets.

The investors have argued an official committee is necessary to uncover alleged self-dealing by Schwartz at the expense of Loral's stockholders.

Judge Robert D. Drain of the U.S. Bankruptcy Court for the Southern District of New York rebuffed the group twice in 2003 and once more in 2004, finding the stockholders failed to show a reasonable possibility that they would receive a "meaningful distribution" from the Loral estate.

In July 2004, just over a year after it first sought Chapter 11 protection, Loral announced that it had come to terms with its primary creditors over a plan of reorganization. The plan provided for no distribution to Loral's preferred and common shareholders.

The stockholders responded the following month with a motion to appoint an examiner to appraise Loral's assets. They alleged Loral has been undervaluing or ignoring many of its most valuable assets, including satellite orbital "allotments," and has colluded with the creditors to depress the valuation of those assets.

After an adverse ruling by Judge Drain, the stockholders successfully appealed to the U.S. District Court for the Southern District of New York.

Friday, Jun. 3, 2005

[LOGO] [LOGO] THOMSON REUTERS
ANDREWSPUBLICATIONS

Shareholders: Loral Bankruptcy Plan Unfairly Favors Management by $100M

By MATTHEW C. MCNALLY, ESQ., Andrews Publications Staff Writer

A shareholders committee recently appointed in the bankruptcy case of satellite maker Loral Space & Communications Ltd. says the company's reorganization plan cannot be approved because it contains a flawed valuation of assets and improperly awards $100 million in Loral stock options to management.

A federal trustee appointed the committee March 29 about two weeks after a Loral bankruptcy examiner announced that the value of Loral's assets could exceed the amount reported in court filings by as much as $463 million.

Loral filed its latest plan March 22 – the fourth since the case began in mid-2003. Judge Robert D. Drain of the U.S. Bankruptcy Court for the Southern District of New York is overseeing the reorganization.

In court filings Loral says the reorganized company will have a value between $632 million and $862 million, but acknowledges that "an alternative value range" suggested by the examiner could bring the high end to more than $1.2 billion.

However, the shareholders say Loral has left out one of the examiner's important conclusions – that Loral's space-based satellite "orbital slots" and certain earthbound real estate holdings are substantially undervalued.

The orbital slots and real estate were not included in the examiner's calculations because they were deemed "non-operating assets" outside his court-restricted authority, according to the shareholders.

"It is clear that the true high end of the examiner's range of values would be higher – and perhaps significantly higher – than [$1.2 billion]," the shareholders say.

The court should require Loral to justify its own valuation or explain why it believes the examiner's valuation is wrong, the shareholders assert.

The committee also objects to a stock-option package, reportedly worth $100 million, to be distributed to Loral's senior management under the plan.

Greenhill & Co. to Invest $22.9 Million in Iridium; GHL Acquisition Corp. to Acquire Iridium

September 23, 2008 6:01 AM ET

[LOGO]

All PR Newswire news

NEW YORK, Sept. 23/PRNewswire-FirstCall/ –

Greenhill & Co., Inc. GHL today announced that it has agreed to invest $22.9 million in Iridium Holdings, LLC, a leading provider of voice and data mobile satellite services ("MSS"). GHL Acquisition Corp. GHQ, an affiliate of Greenhill, announced simultaneously that it had agreed to acquire Iridium in a transaction that values Iridium at an enterprise value of approximately $591 million.

The $22.9 million investment is subject to customary closing conditions and expected to occur in the fourth quarter 2008, in advance of the closing of the acquisition of Iridium by GHQ. Completion of the acquisition of Iridium by GHL Acquisition Corp. is subject to Federal Communications Commission approval, expiration of the applicable Hart-Scott-Rodino waiting period, GHL Acquisition stockholder approval and other customary closing conditions, and is expected to occur in the first part of 2009.

If the acquisition of Iridium is completed on the agreed terms, Greenhill will own approximately 6.9 million shares of the combined company GHQ and 6 million warrants (Amex: GHQ/WS), in addition to the

Iridium securities to be received by Greenhill pursuant to its $22.9 million investment referred to above.

Scott L. Bok, Co-Chief Executive Officer of Greenhill, said: "Iridium is the fastest growing full service voice and data MSS provider and only one of a handful of players in its industry. It has developed substantial scale in terms of revenue and cash flow. We believe Iridium is a very attractive investment opportunity and look forward to supporting Iridium's management team as it continues to create value for Iridium's customers, deliver profitable growth and realize Iridium's full potential."

Greenhill & Co., Inc. is a leading independent investment bank that provides financial advice on significant mergers, acquisitions and restructurings; assists private funds in raising capital from investors; and manages merchant banking funds. It acts for clients located throughout the world from its offices in New York, London, Frankfurt, Toronto, Dallas and San Francisco.

Cautionary Note Regarding Forward-Looking Statements

The preceding discussion should be read in conjunction with our condensed consolidated financial statements and the related notes that appear below. We have made statements in this discussion that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may", "might", "will", "should", "expect",

"plan", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. These factors include, but are not limited to, those discussed in our Report on Form 10-K under the caption "Risk Factors".

September 28, 2008

GHL Acquisition Corp. - GHQ: Iridium's second act - Barron's

Technology Trader: The satellite provider Iridium has gone from a public company, to Chapter 11 bankruptcy in 1999, to then being bought-out by a group of private investors in late 2000. Since then, the new management has quietly went about the business of attempting to remake the company with more than 7 years into its turnaround, the CEO Matt Desch in February of this year, interviewed with columnist Eric Savitz. Iridium last week agreed to merge into a SPAC, or special-purpose acquisition company, called GHL Acquisition (GHQ), which was taken public by the investment firm Greenhill & Co. early this year at $10 per share. Iridium says the deal gives the company an enterprise value of $591M, or nearly 24x what the investors paid when they bought the company out of bankruptcy in 2001. CEO Desch thinks Iridium will eventually be worth a lot more than that. He notes that the company has more than 305,000 subscribers to its satellite-communications service, and the company has been growing rapidly. Columnist Savitz, once a critic of Iridium in the past, and skeptical of SPACs, now thinks Iridium will be a company to keep tabs on. Savitz says, Desch is right about the potential for the satellite market over the long haul, Iridium could be worth a lot more than the valuation implied in the GHL transaction. Savitz wouldn't jump into the deal right away; he would

wait for the acquisition to close, and then give it some time to settle down. Reference Link

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The New York Times
Friday, October 3, 2006 **Business**

GHL Acquisition Corporation
GHQ: AMEX: Financial/Investment Trusts

Company Information

GHL Acquisition Corp. is a blank check company. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses or assets, which GHL Acquisition Corp refers to as its initial business combination. The Company will not limit its efforts in identifying a prospective target business to a particular industry. Instead, it will focus on industries and target businesses in the United States and Europe that may provide significant opportunity for growth. As of December 31, 2007, GHL Acquisition Corp had neither engaged in any operations nor generated any revenues from its operations.

GHL Acquisition Corporation
300 Park Avenue 23rd Floor New York NY 10022
Phone: +1 (212) 389-1500
Fax: n.a.

[LOGO] **AMERICAN BANKRUPTCY INSTITUTE**
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- John J. Rapisardi; Weil, Gotshal & Manges LLP

Contact: Rali Mileva
(703) 739-0800
rmileva@abiworld.org

Sixth Annual New York City Bankruptcy Conference to be Held May 17

April 14, 2004, Alexandria, Va. – The American Bankruptcy Institute's (ABI) Sixth Annual New York City Bankruptcy Conference will be held on Monday, May 17, at the Millennium Hotel Broadway in New York. Bringing together a faculty of bankruptcy judges from the Southern and Eastern Districts of New York and practitioners from the top national insolvency firms, this day-long educational forum will appeal to both experienced and new practitioners. It allows attendees to earn up to 6.25 hours of CLE/CPE credit.

New this year is "Bankruptcy Fundamentals: Nuts & Bolts for Young Practitioners," offered on the Friday before the conference (May 14). This program will be held at the Association of the Bar of the City of New York. At this special program, an outstanding faculty of judges and practitioners will explain the fundamentals of bankruptcy. Separate consumer and business tracks will allow new practitioners to customize their educational experience. The program chair for this day is Ira Herman of Bryan Cave.

The May 17 program features the annual *Views from the Bankruptcy Bench*, with judges from the Southern District of New York. **Robert J. Rosenberg** of **Latham & Watkins, Mitchell E. Drucker** of **CIT**

Business Credit and **Hon. Stuart M. Bernstein** (Chief Judge, S.D.N.Y.) will serve as program chairs.

Jean FitzSimon of **Bridge Associates LLC** will be joined by panelists **Phillip D. Anker** of **Wilmer Cutler & Pickering, Hon. Stuart M. Bernstein** (S.D.N.Y.) and **Hon. E. Norman Veasey** (Chief Justice, Delaware Supreme Court) in *Muddy Waters Part I: Wading Through Depending Insolvency, Aiding and Abetting Liability, Expanded Duties in the "Zone," Corporate Governance in Your Plan of Reorganization and Sarbanes-Oxley All Over the Place – Do I have to Go Back to School to Be a Bankruptcy Professional?*

Hon. Robert E. Gerber (S.D.N.Y.), **James J. Keightley**, General Counsel, **Pension Benefit Guaranty Corporation**, **Robert Klein**, **Pension Benefit Guaranty Corporation** and **Richard G. Smolev** of **Kaye Scholer LLP** will serve as panelists for *The Troubled Company and Its Pension Obligations.* **James M. Lukenda** of Huron Consulting Group LLC will chair the panel.

Scott L. Hazan of **Otterbourg, Steindler, Houston & Rosen P.C.** will serve as chair for a panel on *The World of Non-core Professional Fees in Chapter 11.* He will be joined by **Martin J. Bienenstock** of **Weil, Gotshal & Manges LLP, Hon. Cornelius Blackshear** (S.D.N.Y.), **Joseph Samet** of **Baker & McKenzie, Mitchell I. Sonkin** of **King & Spalding LLP** and **Brian Trust** of **Mayer, Brown, Rowe & Maw LLP**.

The panel *Intercreditor Issues with Multiple Secured Parties* will be chaired by **Alan D. Holtz** of **Ernst & Young Corporate Finance LLC**. **Mitchell E. Drucker** of **CIT Business Credit**, **Eric Miller** of **Cerberus Capital Management LP**, **Frederic L. Ragucci** of **Schulte Roth & Zabel LLP** and **Thomas J. Steiglehner** of **Silver Point Capital LP** will serve as panelists.

Norma C. Corio of **JPMorgan Chase & Co.** will be joined by panelists **Donald S. Bernstein** of **Davis Polk & Wardwell**, **Hon. Arthur J. Gonzalez** (S.D.N.Y.), **Ira L. Herman** of **Bryan Cave LLP** and **Michael A. Kramer** of **Greenhill & Co. LLC** for a panel on *DIP and Exit Financing*.

Muddy Waters Part II, covering corporate governance issues inside bankruptcy, will be chaired by **Ralph S. Tuliano** of KPMG LLP. He will be joined by panelists **Hon. Allan L. Gropper** (S.D.N.Y.), **William Kaye** of **JLL Consultants** and **Keith J. Shapiro** of **Greenberg Traurig LLP**.

Hon. Carla E. Craig (E.D.N.Y.), **Stuart A. Gollin** of **Weiser LLP**, **Glenn E. Siegel** of **Dechert LLP** and **Harvey L. Tepner** of **Compass Advisers LLP** will serve as panelists in the discussion *Closely Held Companies: Issues for Managers and Their Professionals*. It will be chaired by **Alec P. Ostrow** of **Salomon Green & Ostrow P.C.**

The panel *A Guide to Buying and Selling Assets* will be presented by chair **Richard F. Hahn** of **Debevoise & Plimpon** and panelists **Hon. Prudence**

C. Beatty (S.D.N.Y.), **Scott K. Charles** of **Wachtell, Lipton, Rosen & Katz** and **Todd R. Snyder** of **Rothschild Inc.**

Lisa J. Donahue of **AlixPartners LLC** will chair *The CRO: Quarterback of the Restructuring. Where Do the Roles and Responsibilities Collide Among Retained Professionals?* **Matthew A. Feldman** of **Willkie Farr & Gallagher LLP**, **Stuart Kupinsky** of **Exide Technologies**, **Arthur B. Newman** of the **Blackstone Group** and **Hon. Elizabeth S. Stong** (E.D.N.Y.) will join as panelists.

Wearing Too Many Hats – Can You Ethically Do What You Want in the Case? will be chaired by **Albert Togut** of **Togut, Segal & Segal LLP**. **James L. Bromley** of **Cleary, Gottlieb, Steen & Hamilton**, **Hon. Robert D. Drain** (S.D.N.Y.), **Deirdre A. Martini, U.S. Trustee, Region 2** and **Prof. G. Ray Warner** of **St. John's University School of Law** will serve as panelists.

* * *

. ***Debtors' Projections*** **- Loral Space & Communications, Ltd., a Debtor in Possession - Condensed Consolidated Projected Statements of Operations - Years Ending December 31, 2004 through 2008**

	Projected				
n millions) (unaudited)	**2004 E**	**2005**	**2006**	**2007**	**2008**
evenues from satellite services	$ 141.4	$ 150.0	$ 174.5	$ 198.1	$ 222.0
evenues from satellite manufacturing	368.7	515.7	547.5	527.7	633.5
evenue from lease of T-18 transponders to APT (Note 11)	91.0	–	–	–	–
otal revenues	**601.1**	**665.7**	**722.0**	**725.8**	**855.5**
osts of satellite services	176.9	132.5	139.9	142.3	138.4
osts of satellite manufacturing	360.9	482.4	508.5	476.9	546.7
osts of lease of T-18 transponders to APT (Note 11)	82.0	–	–	–	–
elling, general and administrative expenses	117.8	95.4	102.8	106.3	112.9
perating income (loss) before reorganization xpenses due to bankruptcy	**(136.5)**	**(44.6)**	**(29.2)**	**0.3**	**57.5**
eorganization expenses due to bankruptcy	(36.2)	–	–	–	–
perating income (loss)	**(172.7)**	**(44.6)**	**(29.2)**	**0.3**	**57.5**
estructuring gain	932.0	–	–	–	–
nterest and investment income	6.0	8.9	8.4	8.6	7.4
nterest expense	(0.6)	(33.2)	(35.0)	(37.8)	(38.6)
ncome (loss) from continuing operations before ncome taxes, equity income in affiliates and inority interest	**764.7**	**(68.9)**	**(55.8)**	**(28.9)**	**26.3**
ncome tax (provision) benefit	(0.2)	–	–	–	(1.0)
ncome (loss) from continuing operations before quity income in affiliates and minority interest	**764.5**	**(68.9)**	**(55.8)**	**(28.9)**	**25.3**
quity income in affiliates	46.7	–	–	–	–
inority interest	0.1	–	–	–	–
ncome (loss) from continuing operations	**811.3**	**(68.9)**	**(55.8)**	**(28.9)**	**25.3**
ncome (loss) and gain from discontinued operations	**9.6**	**-**	**-**	**-**	**-**
et income (loss)	**$ 820.9**	**$ (68.9)**	**$ (55.8)**	**$ (28.9)**	**$ 25.3**
ther information:					
Adjusted EBITDA	**$ (13.2)**	**$ 38.7**	**$ 57.6**	**$ 84.6**	**$ 130.5**

Condensed Consolidated Projected Balance Sheets

(in millions) (unaudited)	Projected 2004 E	2005	2006	2007	2008
Assets					
Current assets:					
Cash and cash equivalents	$ 28.6	$ 141.0	$ 88.9	$ 125.5	$ 101.9
Restricted cash	14.8	10.4	10.4	10.4	10.4
Accounts receivable	18.6	18.2	22.1	25.3	28.6
Contracts in process	56.1	73.7	133.5	103.2	130.7
Vendor financing receivable	2.4	2.4	2.4	14.0	14.0
Inventories	39.6	41.1	41.1	41.1	41.1
Other current assets	299.7	26.4	24.7	21.0	18.8
Total current assets	459.8	313.2	323.1	340.5	345.5
Properly, plant and equipment, net	585.4	556.7	498.5	473.1	502.1
Excess of reorganization value over fair value of identifiable assets	58.0	58.0	58.0	58.0	58.0
Long-term receivables	62.3	62.1	61.0	48.7	36.5
Investments in and advances to affiliates	52.7	52.7	52.7	52.7	52.7
Other assets	8.1	28.7	25.3	23.8	22.5
	$ 1,226.7	$ 1,071.4	$ 1,018.6	$ 996.8	$ 1,017.3
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	$ 43.6	$ 33.9	$ 28.8	$ 31.7	$ 35.1
Accrued employment costs	31.2	30.5	30.5	30.5	30.5
Customer advances	173.3	84.9	78.5	90.3	68.3
Income taxes payable	8.7	8.7	8.7	8.7	8.7
Other current liabilities	17.0	16.0	15.0	15.0	15.0
Total current liabilities	273.8	174.0	161.5	176.2	157.6
Pension and other postretirement liabilities	178.9	178.2	178.5	161.1	163.9
Long-term liabilities	47.0	40.1	38.3	37.1	37.1
Long-term debt	230.0	251.0	268.0	279.0	290.0
Total liabilities	729.7	643.3	646.3	653.4	648.6
Minority interest	2.4	2.4	2.4	2.4	2.4
Shareholders' equity	494.6	425.7	369.9	341.0	366.3
	$ 1,226.7	$ 1,071.4	$ 1,018.6	$ 996.8	$ 1,017.3

Condensed Consolidated Projected Statements of Cash Flows

	Projected				
(in millions) (unaudited)	**2004 E**	**2005**	**2006**	**2007**	**2008**
Net Income (Loss)	$820.9	($68.9)	($55.8)	($28.9)	$25.3
Depreciation and amortization	123.2	83.3	86.7	84.4	73.1
Income (loss) and gain from discontinued operations	(9.6)	-	-	-	-
Restructuring gain	(932.0)	-	-	-	-
Non-cash interest	-	21.0	17.0	11.0	11.0
Other non-cash items	(23.4)	-	-	-	-
Change in assets/liabilities	(45.0)	158.1	(75.0)	25.5	(34.4)
Cash (Used in) Provided by Operating Activities	**(65.9)**	**193.5**	**(27.1)**	**92.0**	**75.0**
Cash Provided by Discontinued Operations	**29.4**	**-**	**-**	**-**	**-**
Capital expenditures for continuing operations	(48.2)	(51.1)	(25.0)	(55.4)	(98.6)
Capital expenditures for discontinued operations	(11.2)	-	-	-	-
Investments in and advances to affiliates	(4.8)	-	-	-	-
Disposition of assets	953.6	-	-	-	-
Cash (Used in) Provided by Investing Activities	**889.4**	**(51.1)**	**(25.0)**	**(55.4)**	**(98.6)**
Issuance of Additional New FSS Notes	30.0	-	-	-	-
Debt retirement and related costs	(966.9)	-	-	-	-
Payments of liabilities subject to compromise and cure costs	(59.0)	-	-	-	-
Cash (Used in) Provided by Financing Activities	**(995.9)**	**-**	**-**	**-**	**-**
Increase (decrease) in cash	**($143.0)**	**$142.4**	**($52.1)**	**$36.6**	**($23.6)**

Fixed Satellite Services Condensed Combined Projected Statements of Operations

(in millions) (unaudited)	Projected 2004 E	2005	2006	2007	2008
Revenues from satellite services	$ 147.1	$ 154.8	$ 179.3	$ 202.8	$ 226.8
Revenue from lease of T-18 transponders to APT (Note 11)	91.0	–	–	–	–
Total revenues	**238.1**	**154.8**	**179.3**	**202.8**	**226.8**
Costs of satellite services	180.8	135.6	143.0	145.4	141.6
Costs of lease of T-18 transponders to APT (Note 11)	91.0	–	–	–	–
Selling, general and administrative expenses	65.1	57.0	59.5	61.3	62.6
Operating income (loss) before reorganization expenses due to bankruptcy	**(98.8)**	**(37.8)**	**(23.2)**	**(3.9)**	**22.6**
Reorganization expenses due to bankruptcy	(22.5)	–	–	–	–
Operating income (loss)	**(121.3)**	**(37.8)**	**(23.2)**	**(3.9)**	**22.6**
Restructuring loss	(152.0)	–	–	–	–
Interest and investment income	0.2	–	–	–	–
Interest expense	(1.7)	(33.0)	(35.1)	(38.1)	(39.1)
Loss from continuing operations	**(274.8)**	**(70.8)**	**(58.3)**	**(42.0)**	**(16.5)**
Income (loss) and gain from discontinued operations	**9.6**	–	–	–	–
Net loss	**$ (265.2)**	**$ (70.8)**	**$ (58.3)**	**$ (42.0)**	**$ (16.5)**
Other information:					
Adjusted EBITDA before corporate expense allocation	**$ 16.8**	**$ 41.4**	**$ 61.4**	**$ 77.1**	**$ 90.1**

Fixed Satellite Services Condensed Combined Projected Balance Sheets

(in millions) (unaudited)	Projected 2004 E	2005	2006	2007	2008
Assets					
Current assets:					
Cash and cash equivalents	$ 24.1	$ 23.6	$ 19.9	$ 16.69	$ 9.9
Accounts receivable	19.1	18.7	22.6	25.9	29.1
Other current assets	15.7	12.8	11.9	10.5	9.4
Total current assets	58.9	55.1	54.4	53.33	48.4
Property, plant and equipment, net	464.4	437.1	378.0	349.5	372.9
Excess of reorganization value over fair value of identifiable assets	5.0	5.0	5.0	5.0	5.0
Other assets	73.6	71.6	69.6	68.2	66.8
	$ 601.9	$ 568.8	$ 507.0	$ 476.0	$ 493.1
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	$ 10.5	$ 10.1	$ 11.8	$ 12.7	$ 13.7
Accrued employment costs	5.8	5.1	5.1	5.1	5.1
Customer advances	44.4	44.3	44.1	44.1	26.0
Income taxes payable	2.1	2.1	2.1	2.1	2.1
Other current liabilities	11.0	11.0	11.0	11.0	11.0
Total current liabilities	73.8	72.6	74.1	75.0	57.9
Pension and other postretirement liabilities	29.3	29.9	30.5	31.1	32.2
Long-term liabilities	19.4	16.7	14.1	12.6	11.2
Long-term debt	230.0	251.0	268.0	279.0	290.0
Total liabilities	352.5	370.2	386.7	397.7	391.3
Shareholders' equity	249.4	198.6	120.3	78.3	101.8
	$ 601.9	$ 568.8	$ 507.0	$ 476.0	$ 493.1

Fixed Satellite Services Condensed Combined Projected Statements of Cash Flows

		Projected			
(in millions) (unaudited)	**2004 E**	**2005**	**2006**	**2007**	**2008**
Net Income (loss)	($265.2)	($70.8)	($58.3)	($42.0)	($16.5)
Depreciation and amortization	100.8	67.7	72.5	68.9	56.1
Income and loss from discontinued operations	(9.6)	-	-	-	-
Restructuring gain	152.0	-	-	-	-
Non-cash interest	-	21.0	17.0	11.0	11.0
Other non-cash items	12.0	-	-	-	-
Change in assets/liabilities	(11.3)	(2.4)	(4.9)	(3.9)	(21.5)
Cash (Used in) Provided by Operating Activities	**(21.3)**	**15.5**	**26.3**	**34.0**	**29.1**
Cash Provided by Discontinued Operations	**44.4**	**-**	**-**	**-**	**-**
Capital expenditures for continuing operations	(39.2)	(36.0)	(10.0)	(37.0)	(76.1)
Capital expenditures for discontinued operations	(11.2)	-	-	-	-
Investments in and advances to affiliates	(3.3)	-	-	-	-
Disposition of assets	953.6	-	-	-	-
Cash (Used in) Provided by Investing Activities	**899.9**	**(36.0)**	**(10.0)**	**(37.0)**	**(76.1)**
Debt retirement and related costs	(960.0)	-	-	-	-
Issuance of Additional New FSS Notes	30.0	-	-	-	-
Dividends to Parent	(30.0)	-	(20.0)	-	-
Payments of liabilities subject to compromise and cure costs	(3.0)	-	-	-	-
Equity contribution from Parent	-	20.0	-	-	40.0
Cash (Used in) Provided by Financing Activities	**(963.0)**	**20.0**	**(20.0)**	**-**	**40.0**
Increase (decrease) in cash	**($40.0)**	**($0.5)**	**($3.7)**	**($3.0)**	**($7.0)**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 11 Case Nos.
LORAL SPACE & COMMUNICATIONS LTD., *et al.*,	LEAD CASE 03-41710 (RDD) 03-41709 (RDD) through 03-41728 (RDD)
Reorganized Debtors.	(Jointly Administered)

FINAL DECREE CLOSING CERTAIN OF THE DEBTORS' CHAPTER 11 CASES PURSUANT TO SECTION 350(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3022

Upon the application, dated May 1, 2008 (the "Application"), for a final decree (the "Final Decree") closing certain of the above-referenced chapter 11 cases pursuant to section 350(a) of the title 11 of the United States Code (the "Bankruptcy Code") and Rule 3022 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the record of the May 14, 2008 hearing on the Applications; and the Court having been satisfied that the above-captioned debtors and debtors in possession in the Ancillary Cases, defined below (collectively, the "Debtors" and, as reorganized, the "Reorganized Debtors") have achieved consummation of their Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, as Modified, dated June 3, 2005 (as confirmed, the "Plan of Reorganization") and that

their estates have been fully administered in that all transfers of property and substantially all distributions required to be made have been made pursuant to the terms of the Plan of Reorganization; and the Court having been satisfied that the docket maintained in the Chapter 11 Cases[1] reflects the absence of any pending adversary proceedings or contested matters, other than the Pending Matters as set forth in the Application; and the Court having considered the record of the proceedings in the Chapter 11 Cases; and good and sufficient notice of the relief requested in the Application having been given; and after due consideration and sufficient cause appearing therefor, it is

ORDERED that, pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022, the Ancillary Cases listed on Exhibit A annexed hereto are hereby closed; *provided, however,* that the Court shall retain jurisdiction as is provided for in Section 13 of the Plan of Reorganization **(Retention of Jurisdiction)**,* including, without limitation, with respect to all of the Pending Matters and any extensions of the Claims Objection Deadline; and it is further

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[1] All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan of Reorganization or the Application, as applicable.

* Emphasis added.

ORDERED that the Reorganized Debtors shall not be obligated to pay quarterly fees in respect of the Ancillary Cases to the U.S. Trustee in accordance with 28 U.S.C. § 1930(a)(6) for any period beyond the date of this Order; and it is further

ORDERED that entry of this Final Decree is without prejudice to the rights of the Reorganized Debtors or any party in interest to seek to reopen the Ancillary Cases for good cause shown; and it is further

ORDERED that entry of this Final Decree is without prejudice to any of the rights of the claimholders listed in Exhibit B to the Application; and it is further

ORDERED that all pleadings, motions and other papers concerning the Pending Matters be filed in the Lead Case; and it is further

ORDERED that, to the extent it is later determined by this Court or by agreement between the parties, that a claimholder listed on Exhibit B to the Application is entitled to a distribution from a Reorganized Debtor in an Ancillary Case being closed by this Final Decree, such distribution shall be made without further order of this Court and without reopening the Ancillary Case; and it is further

ORDERED that the requirement of Local Bankruptcy Rule 9013-1(b) for filing of a memorandum of law in support of the Application hereby is waived.

Dated: May 14, 2008
New York, New York

/s/ Robert D. Drain
UNITED STATES
BANKRUPTCY JUDGE

EXHIBIT A

The Ancillary Cases

Loral SpaceCom Corporation (Case No. 03-41709)

Space Systems/Loral, Inc. (Case No. 03-41713)

Loral Orion, Inc. (Case No. 03-41716)

CyberStar, L.P. (Case No. 03-41725)

Loral Skynet Network Services, Inc. (Case No. 03-41727).

PETITION FOR RE-HEARING

119

(2)

No. 08-510

Supreme Court, U.S.
FILED
FEB 6 - 2009
OFFICE OF THE CLERK

In The

Supreme Court of the United States

PHILLIP IVALDY,

Petitioner,

v.

LORAL SPACE & COMMUNICATIONS LTD., *et al.*,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

PETITION FOR REHEARING

PHILLIP IVALDY
7091 Surfside
Huntington Beach, California
92648
(714) 536-8600

QUESTIONS PRESENTED
On Petition for Rehearing

(1) Whether aerospace Debtors, who are facing an appeal of the order Confirming its Plan of Reorganization (POR) on the grounds of alleged accounting fraud for concealing the value of significant assets, from the Total Enterprise Value (TEV), that could have established the Debtors as a profitable entity, should have the Confirmation Order reversed:

(a) If the events listed by the Debtors in the Plan of Reorganization as having been consummated would not be disturbed and

(b) If a collection of newly discovered documents, when combined with other known documents, clearly indicates there is good cause to believe the Debtors were, at the time the Debtors' Plan of Reorganization was Confirmed and are now in a profitable state by over one billion dollars.

(2) Whether the Appellant in a current Chapter 11 appeal of a U.S. Bankruptcy Court, is entitled to an appeal under authority of 28 U.S.C. Sections 158(a)(1) and (b)(1), from an Article I U.S. Bankruptcy Court to an Article III Appellate Court if there is a good cause to believe that the value of debtors' assets may be greater in its liabilities, and if there is good cause to believe that the debtors have concealed significant assets from the U.S. Bankruptcy Court.

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PETITION FOR REHEARING

The petition for a writ of certiorari to review the judgment of the U.S. Court of Appeals was denied on January 12, 2009. This petition for rehearing is timely brought pursuant to Rule 44(2) because a number of newly discovered documents when combined together with the documents that indicated that the Debtors had allegedly committed an accounting fraud for concealing the value of significant assets from the Total Enterprise Value, now show that there is good cause to believe the Debtors are substantially in a profitable state.

CONSTITUTIONAL PROVISIONS INVOLVED

ARTICLE I, Section 8, Clause 4, the Congress shall have Power to . . . establish uniform Laws on the subject of Bankruptcies throughout the United States.

ARTICLE I, Section 8, Clause 9, the Congress shall have Power . . . . To constitute Tribunals inferior to the supreme Court.

ARTICLE III, Section 1, The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish. The Judges, both of the supreme and inferior Courts, shall hold their Offices during good Behavior, and shall, at

stated Times, receive for their Services a Compensation, which shall not be diminished during their Continuance in Office.

AMENDMENT V. No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

STATUTES

28 U.S.C. Section 151. Bankruptcy judges in each judicial district constitute a "unit" of the applicable United States District Court.

28 U.S.C. Section 157(b)(1). Bankruptcy judges may hear and determine all cases under title 11 and all core proceedings arising under title 11, or arising in a case under title 11, referred under subsection (a) of this section, and may enter appropriate orders and judgments subject to review under section 158 of this title.

28 U.S.C. Section 157(b)(2). Core proceedings include, but are not limited to – sub parts A-P.

28 U.S.C. Section 157(c)(1). A bankruptcy judge may hear a proceeding that is not a core proceeding but that is otherwise related to a case under title 11. In such proceeding, the bankruptcy judge shall submit proposed findings of fact and conclusions of law to the district court, and any final order or judgment shall be entered by the district judge after considering

the bankruptcy judge's proposed findings and conclusions after reviewing de novo those matters to which any party has timely and specifically objected.

28 U.S.C. Sections 158(a)(1) and (b)(1). Final judgments or orders of the United States bankruptcy court ("Bankruptcy Court") may be appealed to the United States District Court ("District Court").

STATEMENT OF THE CASE

In the Powers Granted to Congress in article I, Section 8, Clause 4, the Congress shall have Power to. . . . Establish uniform Laws on the subject of bankruptcies throughout the United States. Article I, Section 8, Clause 9, the Congress shall have Power to . . . to constitute Tribunals inferior to the supreme Court. In the 1978 Bankruptcy Code, and as amended in 1984, Congress established the Article I bankruptcy court, in 28 U.S.C. Section 151, a unit of the applicable United States District Court.

In the instant case, the shareholders of Old Loral appealed decisions of the U.S. Bankruptcy Court on seven occasions. Throughout these many appeals it clearly appeared that there was no difference between an appeal from a U.S. District Court to a U.S. Court of Appeals with regard to typical appeal procedures. One adverse comparison is that each time the shareholders appealed they ended back where they originally started without the oversight or control of the U.S. District Court. Thus, they found themselves

like a ping pong ball being batted back and forth in a marathon game.

On one occasion the shareholders prevailed on appeal and obtained an Order for the appointment of an examiner to specifically examine the Debtors' space based assets such as orbital slot licenses, satellite-services businesses, satellite broadcast licenses, division assets, patents, real estates, and backlog of satellite orders (perhaps the most critical asset for determining a company's ability to remain in a profitable state). Backlog is recognized in the aerospace industry as the life blood of an aerospace company.

Upon the shareholders return to the Bankruptcy Court, an examiner was appointed and somehow the Debtors managed to convince the Bankruptcy Court to limit the examination to interviewing the officers of the company. Thus the shareholders ended back in the same position they were in before the appeal for an examiner.

Later, after the shareholders had listed the documents they wanted to examine that related to the current backlog of satellite orders, the bankruptcy judge required the representatives of the shareholders to sign a Confidentiality Agreement before compelling the Debtors to produce the requested documents. The shareholder representatives signed the Confidentiality Agreement, (Apps. 74-76 in the Petition for Certiorari). Later the Debtors refused to

produce the requested documents on the grounds they were confidential.

Somehow the Debtors convinced the Court that there was no need to examine the Debtors backlog of satellite orders. Thus the shareholders found themselves back in the same position they had before they signed the Confidentiality Agreement.

During the Confirmation Hearing, the Debtors produced expert valuations reports (Apps. 57-60 set forth in the Petition For Certiorari). The Debtors claimed the experts could evaluate the Total Enterprise Value of the Debtors. These documents and other similar documents served as a baseline for the Court's determination of the Total Enterprise Value of the Debtors. (Apps. 79-87) Thereupon, the Court issued an Order Confirming the Debtors' Plan or Reorganization.

Subsequently, the Appellant timely filed an appeal of the Confirmation Order. Somehow the Debtors convinced the U.S. District Court that the U.S. Bankruptcy Court had conducted a full evidentiary hearing and that the Bankruptcy Court had properly issued the Order Confirming Debtors' Plan of Reorganization.

Based on the premise that the Debtors' assets were less than the Debtors' liability, the Debtors successfully argued that the appeal of the Confirmation Order is Moot and that the Requested Relief would lead to an unraveling of intricate transactions and create a completely uncontrollable situation.

After the U.S. Court of Appeals for the Second Circuit determined the District Court made an independent factual finding with respect to the substantial consummation of the reorganization plan, it determined it had applied those findings in considering whether appellants had met their legal burden to rebut the presumption of mootness resulting from the substantial consummation.

After the U.S. Court of Appeals issued the Summary Order affirming the order and the judgment of the district court, certain documents concerning the Debtors' assets and backlog began to surface. Now, a collection of these newly discovered documents have been combined with other known documents. These combined documents indicate there may be good cause to believe that the Debtors were and are in a profitable state by over one billion dollars.

The documents have been collected and synthesized into Apps. 1-3. App. 1 lists six assets, when totaled, amount to a not insignificant sum of $1.376 Billion that does not appear any where in bankruptcy records. Three of the assets are placed in the Petition for Writ of Certiorari:

Value of Loral Division FSS	=	Apps. 160-161
Rainbow Suit	=	App. 167
Orbital Slot licenses	=	Apps. 163-165

App. 2 lists a backlog of 11 satellite orders that were acquired in the period surrounding the Debtors' bankruptcy proceedings during 2003-2005. At the

time the Debtors filed for bankruptcy protection, Chairman and CEO Bernie Schwartz stated the Company was a viable entity and only filed for bankruptcy protection as a condition for making a billion dollar sale to IntelSat. However, after the bankruptcy filing, Bernie Schwartz pivoted and assigned his officers and attorneys the duty of convincing the public that the value of the company's assets were less than the liabilities of the company. Two satellite orders for TerreStar and for EchoStar are presented in Apps. 168-169 and in App. 170.

Perhaps most startling are Apps. 4 and 5 of this Petition for Rehearing. In the first paragraph of App. 4, Bernie Schwartz admits that Loral has won its bankruptcy court's approval for a reorganization . . . and leaves the new owners with a satellite plant brimming with new orders and a satellite services business ready to expand into new markets. None of this information was released during bankruptcy proceedings.

In App. 5, Bernie Schwartz states that the judge broadly accepted Loral's argument that the equity shareholders would not be "in the money" under any reasonable assessment of the company's value.

REASONS FOR GRANTING PETITION

The Old Loral shareholders believe Loral and its officers have, throughout the Chapter 11 proceeding, have consistently refused to disclose its assets as

required by the Bankruptcy Code. The Debtors, by making numerous presentations to the U.S. Bankruptcy Court that the Total Enterprise Value of the Company accurately reflects that its liabilities are greater than its assets. The Court relied upon those presentations and evaluated the Company at $970 Million in App. 87 in the Petition for Writ of Certiorari. The Court relied upon these presentations when it evaluated the value of FSS at $440 Million when in fact the Debtors were planning to sell the FSS division into another entity for approximately $1.05 Billion.

Based upon the Debtors' presentations, the Court did not have an opportunity to properly evaluate the Debtors' backlog of contract awards. Bernie Schwartz, in paragraph one of App. 4 states that the Company is brimming with new orders and states in paragraph three in App. 5 that the two years since the Company filed for Chapter 11 bankruptcy protection the value of Space System/Loral of Palo Alto, Loral's satellite builder, has risen sharply.

The Appellant, in the U.S. Bankruptcy Court, in the U.S. District Court, in the U.S. Court of Appeals and in the U.S. Supreme Court has maintained that the denial of an opportunity to protect the undeclared assets of the Debtors would be depriving the shareholders of their Due Process Rights under the Fifth Amendment.

As such, by 28 U.S.C. Section 157(b)(2), constitutional questions are not defined as a Core Proceeding for Article I bankruptcy courts. 28 U.S.C. Section 157(c)(1) states that a bankruptcy judge may hear a proceeding that is not a core proceeding, but that is otherwise related to a case under title 11. In such proceeding, the bankruptcy judge shall submit proposed findings of fact and conclusion of law to the district court, and any final order or judgment shall be entered by the district judge after considering the bankruptcy judge's proposed findings and conclusions after reviewing de novo those matters to which any party has timely and specifically objected.

In the instant case, the bankruptcy court did not submit proposed finding of fact and conclusion of law to the district court.

28 U.S.C. Sections 158(a)(1) and (b)(1) specifically provide that final judgment or orders of the United States District Court bankruptcy court may be appealed to the United States District Court. Thus far, in the appellate process, the Appellant has not had the opportunity to appeal the Confirmation Order of the U.S. Bankruptcy Court Order Confirming Debtors' Plan of Reorganization.

The existence of Article I tribunals has been controversial, and their power has been challenged before the United States supreme Court, which has determined that article I tribunals may exist, but that their power must be circumscribed and, when a potential deprivation of life, liberty, property interest

is involved, their decisions are subject to ultimate review in an Article III Court.

Since the instant appeal was filed in the U.S. District Court in August of 2005, no Article III Court has weighted the propriety of events concerning whether there is just cause for examining the Debtors' space based assets to determine if the Debtors' assets are greater than its liabilities. All of the lower Article III Courts have rendered their decisions based on the assumption that the Debtors' assets are less than its liabilities.

The Appellant, with this Petition for Rehearing and the attached five Apps., believes there is just cause for examining the assets of Debtors' space based assets.

CONCLUSION

For the above reasons, the Court should grant Certiorari.

Respectfully submitted,

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CERTIFICATE OF COUNSEL

Pursuant to Rule 44, Rules of the Supreme Court, counsel hereby certifies that this petition for rehearing is restricted to the grounds specified in Rule 44, paragraph 2, Rules of the Supreme Court, and is being presented in good faith and not for delay.

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Phillip Ivaldy

ALLEGED ACCOUNTING FRAUD FOR CONCEALING THE VALUE OF SIGNIFICANT ASSETS FROM TOTAL ENTERPRISE VALUE (TEV) OF THE COMPANY'S SATELLITE BUSINESS

VALUE OF ASSETS CONCEALED (Est)

Loral exited bankruptcy with	$ 180 Million
Value of Inventory stored in Warehouse (ChinaSat Satellite sold to ProtoStar[1])	$ 200 Million
Value of Loral Division FSS[2] ($1.05 Billion minus $440 Million)	$ 610 Million
Undeclared Value of Loral suit against Rainbow for 2 orbital slot transaction[3]	$ 33 Million
Undeclared Value of Loral's portfolio of Orbital Slot Licenses[4]	$ 200 Million
Undeclared Value Loral's Real Estate[5] ($158 Million minus $5 Million).	$ 153 Million

TOTAL ASSET VALUE NOT IN TEV[6] $ 1.376 BILLION 2003-2005

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[1] This ChinaSat Satellite was valued by Loral in Confirmation Hearing at zero dollars in 2005. It was sold in 2006, with modification to ProtoStar, for $200-$240 Million.

[2] FSS Purchased in 1997 for $478 Million.
FSS was evaluated by Bankruptcy Court at $440 Million.
Loral sold FSS to TelSat for $1.05 Billion in 2006.

[3] Loral awarded $51 Million in 2006 for a $33 Million claim.

[4] Estimated to be worth as much as IntelSat Slots sold in bankruptcy.

[5] Evaluated by Tax Assessor at $178 Million prior to 2000. Evaluated in Bankruptcy Court at $5 Million.

[6] Total does not include unevaluated assets of over 400 patents.

ALLEGED ACCOUNTING FRAUD – Misrepresentations of Backlog Revenue Recognition of Lucrative Satellite Contract Awards During the Year 2003 When Loral Filed for Bankruptcy Protection and During Period the Company Was in Chapter 11-2003-2005

LIST OF SATELLITE ORDER AWARD MISREPRESENTATIONS IN MFG. BUSINESS	ESTIMATED VALUE OF SATELLITE AWARDS[7]	YEAR SATELLITE CONTRACT AWARDED[8]
(1) DIRECTV 8	= $ 130 M	2003
(2) DIRECTV 9s	= $ 130 M	2003
(3) IntelSat 9	= $ 110 M	2003
(4) NASA – ISS	= $ 103 M	2003
(5) PanamSat 16	= $ 106 M	2003
(6) EchoStar[9] (Six Satellites)	= $ 1.000 B	2004
(7) ICO G1[10]	= $ 250 M	2005
(8) TellStar 11N	= $ 155 M	2005
(9) TerreStar 1[11]	= $ 250 M	2005
(10) PanamSat 18	= $ 115 M	2005
(11) Sirius XM-5	= $ 150 M	2005
TOTAL 11 CONTRACT VALUE NOT IN TEV 2003-2005	**= $ 2.499 Billion**	

[7] Estimates are plus or minus $20 Million.

[8] Some sources may have list contract award in different year.

[9] Loral publicly recognizes only one satellite order. EchoStar included a $55 Million advance payment.

[10] Additional spare satellite is being developed to FCC reqmnt.

[11] Loral does not publicly recognize FCC spare satellite reqmnt.

ALLEGED ACCOUNTING FRAUD

Misrepresentations of Backlog Revenue Recognition of Satellite Contract Awards After Loral's Plan of Reorganization Was Confirmed in 2005 and During the Years of Forecast Period 2005-2008

LIST OF SATELLITE ORDER AWARD MISREPRESENTATIONS IN MFG. BUSINESS	ESTIMATED VALUE OF SATELLITE AWARD	YEAR SATELLITE CONTRACT AWARDED
(1) AsiaSat 5	= $ 140 M	2006
(2) Nimiq 5	= $ 130 M	2006
(3) TerreStar 2	= $ 215 M	2006
(4) ProtoStar 1	= $ 200 M	2006
(5) New Skies 12	= $ 230 M	2007
(6) Sirius FM-6[12]	= $ 200 B	2007
(7) IntelSat 14	= $ 120 M	2007
(8) ViaSat 1	= $ 250 M	2008
(9) SpainSat 1E	= $ 150 M	2008
(10) IntelSat 17	= $ 125 M	2008
(11) New Skies 14	= $ 250 M	2008
(12) TerreStar 3 (EUR)	= $ 200 M	2008
(13) ICO – FCC spare req.	= $ 215 M	2008
TOTAL 13 CONTRACT VALUE NOT IN TEV 2008	**= $ 2.425 Billion**	

[12] Data not available – estimate range could be over $20M.

Court Approves Loral's Exit from Bankruptcy

by PETER B. de SELDING
Space News Staff Writer
posted: 01 August 2005
11:06 am ET

Loral Space and Communications Ltd. has won its bankruptcy court's approval for a reorganization that leaves Loral's equity shareholders with nothing, but permits Loral's new owners to start afresh with a satellite plant brimming with new orders and a satellite-services business ready to expand into new markets, Loral Chairman Bernard L. Schwartz said July 29.

The bankruptcy court for the Southern District of New York approved Loral's proposed reorganization plan July 25, permitting New York-based Loral to exit Chapter 11 bankruptcy protection, which it entered in July 2003.

With the new ownership, New York-based Loral is obliged to ask U.S. Federal Communications Commission approval to transfer title to Loral's satellite-broadcast and orbital-slot licenses, a process that Schwartz said could take 60 to 90 days. The company is fully capitalized and will seek a listing on the U.S. Nasdaq stock exchange, Schwartz said.

MHR Fund Management LLC of New York, headed by Mark H. Rachesky, will be Loral's biggest single shareholder under the new organization, with a stake of more than 20 percent, Schwartz said.

The bankruptcy court's detailed conclusions about Loral – specifically its market value and the stock options awarded to the company's existing management – were not available as of July 29. **But Loral and other industry officials involved with the case said the judge broadly accepted Loral's argument that the equity shareholders would not be "in the money" under any reasonable assessment of the company's value.**

Schwartz and one industry official said the court evaluated Loral's enterprise value – including its Palo Alto, Calif., real estate, its orbital slots, its cash and its satellite-manufacturing and satellite-service business – at about $950 million.

Pinning a value on Loral – an expert was hired to study the issue – proved no easy task, especially since the value of Space Systems/Loral of Palo Alto, Loral's satellite builder, has risen sharply in the two years since the bankruptcy filing.

Loral has won nine commercial telecommunications satellite orders in the past two years, **whereas before bankruptcy it had suffered at two year period devoid of contract wins.** Of these nine satellites, six are from established satellite-fleet operators – PanAmSat Corp., EchoStar Communications Corp., DirecTV Group, XM Satellite Radio and Intelsat Ltd. (Emphasis added.).